

FINANCIAL TIMES

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SWEDISH POLL

Greens threaten a cosy consensus

Page 20

Table with exchange rates for various countries including Australia, Canada, Denmark, etc.

World News

Sri Lanka's President Jayawardene to step down

President Junius Jayawardene of Sri Lanka has decided not to stand in the forthcoming presidential elections due between December 4 and January 3.

Papal tour continues

Barely 10,000 people attended a service in Lesotho, at which Pope John Paul beatified a 19th century French missionary.

More Burma unrest

Around half a million demonstrators took to the streets of Rangoon amid growing signs that Burma's Socialist Government was crumbling.

Polish unity talks

Solidarity leader Lech Walesa and Interior Minister Czeslaw Kiszczak met for the second time in two weeks to prepare for full-scale talks.

In Lenin's footsteps

Soviet leader Mikhail Gorbachev, in a pilgrimage rich in symbolism, toured the Siberian village where Vladimir Lenin spent three years in exile.

Yugoslav minorities

Up to 30,000 people staged a protest rally in Vojvodina, accusing ethnic Albanians of persecuting Serbs in Yugoslavia's troubled Kosovo province.

Iraq sanctions call

The European Parliament accused Iraq of attempting to exterminate its Kurdish population with chemical weapons and demanded an immediate ban on all arms sales to the country.

Polluted air claims

A UN report said 1.8bn of the world's city-dwellers breathe the disturbingly high levels of sulphur dioxide, smoke and dust. The dirtiest air was found in Milan, followed by Shenyang (China), Tehran, Seoul and Rio de Janeiro.

Postal back to work

All but 14 of Britain's 82 main postal sorting offices were back at work, as local branches of the Union of Communication Workers voted to end a fortnight-long dispute over pay and staffing.

EC appeal to Beirut

The 12 members of the EC made an "urgent appeal" to Lebanon's political factions to ensure orderly presidential elections next week.

Olympic surprises

The tiny Norwegian resort of Lillehammer was named to host the 1994 Winter Olympic Games. Libya unexpectedly stopped its team from flying to Seoul games, where the 1988 games open on Saturday.

Business Summary

HCA to go private in \$3.3bn buy-out

HOSPITAL Corporation of America, the largest US hospital chain, is seeking to go private in a \$3.3bn deal that could herald a big consolidation of the troubled industry.

US Ford to build electronics plants

Ford will invest \$185m to build factories in Europe and the US to meet growing demand for electronic car components.

France heads for row with Brussels over Renault plan

THE FRENCH Government appears to be heading for a conflict with the European Commission arising from its proposal to recapitalize Renault, the state-owned car group.

Taiwan to open door for European capital goods

TAIWAN has decided that, with a handful of exceptions, it will place European suppliers on an equal footing with US companies when it is purchasing major equipment.

Price Waterhouse signals need to raise outside equity capital

PRICE Waterhouse, the international accountancy firm, will need to raise outside equity capital if it is to compete with other financial services businesses, according to Mr Joseph Connor, its new chairman.

Moscow reveals nuggets on gold trade

GLASNOST HAS reached the gold trade. The Soviet Union, for years one of the biggest and most secretive players in this supremely capitalist of markets, has decided to give the West some clues as to how it plays the game.

Texans prepare to weather the storm

TEXAS BRACED itself yesterday for the arrival of Hurricane Gilbert, the strongest hurricane on record, which has left a trail of destruction throughout the Caribbean.

France heads for row with Brussels over Renault plan

By Paul Betts in Paris and William Dawkins in Brussels

THE FRENCH Government appears to be heading for a conflict with the European Commission arising from its proposal to recapitalize Renault, the state-owned car group. Paris said it would seek approval from the European Commission next week to recapitalize the bank sheet of Renault, by retiring FF12bn (€1.87bn) of debt, but without making any change to the special legal status of the company.

US Ford to build electronics plants

By Paul Betts in Paris and William Dawkins in Brussels

Ford will invest \$185m to build factories in Europe and the US to meet growing demand for electronic car components. The Paris plan, which is also likely to come in for domestic criticism, is expected to be vigorously opposed by Mr Jacques Calvet, chairman of the private Peugeot car group.

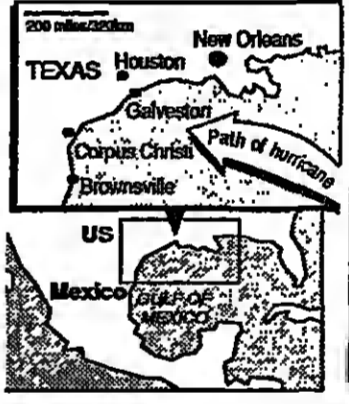


A Kingston resident surveys the storm damage to her home

Texans prepare to weather the storm

By James Abbott in Houston and Roderick Oram in New York

TEXAS BRACED itself yesterday for the arrival of Hurricane Gilbert, the strongest hurricane on record, which has left a trail of destruction throughout the Caribbean. Reinsurers worldwide are anxiously watching Gilbert's progress. If the hurricane hits Texas, insurance claims on ships, oil installations and buildings will be enormous.



Taiwan to open door for European capital goods

By Bob King in Taipei

TAIWAN has decided that, with a handful of exceptions, it will place European suppliers on an equal footing with US companies when it is purchasing major equipment. The Taipei policy shift means that European companies in turn, has said one to adapt plans to liberalize the trade in cars, including an end to technical trade barriers and bilateral import curbs.

Price Waterhouse signals need to raise outside equity capital

By Richard Waters in London

PRICE Waterhouse, the international accountancy firm, will need to raise outside equity capital if it is to compete with other financial services businesses, according to Mr Joseph Connor, its new chairman. While such an equity issue may be a long way off, the statement was the first clear indication from a major accountancy firm that it intended to raise outside equity.

MARKETS section containing financial data for various commodities and currencies.

CONTENTS section listing various articles and their page numbers.

Advertisement for WATFORD, a major town centre shopping scheme, featuring 600,000 sq. ft. of net retail space. Includes contact information for Healey & Baker.

EUROPEAN NEWS

700,000 Soviet ministry jobs to go in reforms

By Quentin Peel in Moscow

SOME 700,000 jobs in Soviet Ministries are to be axed as part of the country's sweeping economic reforms...

more than one in four bureaucrats out of an estimated 2.5m. As for management jobs, he said that there were up to 18m in the country as a whole...

head-on clashes," he said. "We all know about the 'Ting at headquarters' in China. And then it took the people 15 years to try to understand what they had done..."

The 'bargain' Ford got by going to Spain

By Tom Burns in Madrid

"EVERY TIME we read about Ford planning a new plant in Britain, we burst out laughing," says Mr Felix-Pablo Tamayo...

of 5 per cent this year was, Mr Tamayo says, 1.5 per cent less than the average salary settlements in Spain.

bosses in Detroit love Spain," says Mr Tamayo. Ford management views on Spain might be different were Mr Tamayo to call the shots at Almusafes...

ing it in Spain. Mr Vicente Asensio, the chief UGT organiser at Almusafes and the head of the socialist union's metalworkers for the whole of the Valencia region...

Spanish companies where the union structure can be almost as fractured as in England. There is a likelihood, however, that it will be renewed when work elections are held again in 1991...

Polish Minister meets Walesa in search for common ground

By Christopher Bobinski in Warsaw

MR LECH WALESA, the leader of the banned Solidarity movement, yesterday conferred for over four hours with General Czeslaw Kiszczak, Poland's Interior Minister...

Ministry in southern Warsaw, smiling and making the Solidarity V-for-victory gesture through the window of his car.

machowski, a Solidarity adviser, as well as Mr Stanislaw Ciosek, a member of the party leadership.

Thatcher fails to back Maltese bid to join EC

By Robert Mauthner, Diplomatic Correspondent

MRS MARGARET Thatcher, the British Prime Minister, yesterday expressed support for an expansion of links between Malta and the European Community...

This clear statement of the British position does not appear to have deterred the Maltese. In an address to the Royal Institute of International Affairs at Chatham House last night, Dr Fenech Adam said that Malta was "determined" to seek full membership of the Community.

Delors condemns attacks on tax harmony plans

By William Dawkins in Brussels

MR JACQUES DELORS, President of the European Commission, yesterday condemned as hypocritical the attacks made by Britain and France against Brussels' plan to bring indirect tax rates closer in line.

Secret vote challenged in Italy

By John Wyles in Rome

ITALY'S five-party coalition government headed by Mr Ciriaco De Mita is facing the stiffest political test of its five months in office as it attempts to ensure passage of the 1989 budget by eliminating legislators' right to a secret vote.

European multinationals aim to lift managers' role

By William Dawkins in Brussels

The presidents of 14 top European multinationals yesterday launched a joint foundation aimed at boosting the role of managers in improving quality.

European multinationals aim to lift managers' role

By William Dawkins in Brussels

pared with other regions of the world, that support must be intensified," he added.



NOTICE TO ORDINARY SHAREHOLDERS OF Pilgrim House Group plc

Open Offer to ordinary shareholders in connection with the proposed acquisition of Kidde Fire Protection Group

SPECIAL RECEIVING ARRANGEMENTS

On 1st September, 1988 a circular was sent to shareholders containing details of the proposed acquisition of Kidde Fire Protection Group and the Open Offer.

In connection with the acquisition, Morgan Grenfell & Co. Limited is making a conditional Open Offer to ordinary shareholders of 24,896,180 new ordinary shares of 25p each...

Table with 4 columns: City Office, Address, City Office, Address. Lists office locations in Birmingham, Bristol, Brighton, Cardiff, Edinburgh, Exeter, Ipswich, Glasgow, Gloucester, Leeds, Liverpool, London EC2, London W1, Manchester, Newcastle, Norwich, Oxford, Plymouth, Southampton, and York.

Shareholders who have not received a circular or application form may inspect copies at any of the branches shown. Such shareholders may apply under the Open Offer by executing a power of attorney...

5 ABATTOIRS Queensland, AUSTRALIA FOR SALE BY TENDER. AUSTRALIA MEAT HOLDINGS PTY LIMITED. BOWEN, CAIRNS, MAREEBA, MT ISA, FENTLAND. Killing capacity 600 cattle per day.

Notice to the Bondholders of OKI ELECTRIC INDUSTRY COMPANY LIMITED. US\$70,000,000 3 1/2 percent Convertible Bonds Due 1999. Pursuant to the Terms and Conditions of the above-mentioned Bonds, we hereby notify as follows:

EUROPEAN NEWS

Cypriot leaders meet in first direct peace talks

By Adriana Ierodiakonou in Nicosia

THE FIRST DIRECT peace talks on the Cyprus problem in six years between the Greek and Turkish-Cypriots began in Nicosia under UN auspices yesterday.

During a largely ceremonial first session, symbolically held on the military Green Line bisecting Nicosia into Greek and Turkish sectors, the leaders of the two Cypriot communities pledged to suspend mistrust.

UN officials described the atmosphere as very good.

Speaking for the Greek-Cypriots, President George Vassiliou spoke of "a new Cyprus where all its inhabitants will live and work in peace."

The Turkish-Cypriot leader, Mr Rauf Denktaş, called for "a land of two peoples who have differences of religion, language, national identity and culture but have one and the same loyalty to Cyprus which gave birth to them and has cherished them for centuries."

The aim of the present negotiations is to restore the unity

of the Cypriot state.

Negotiations will mainly be conducted personally by Mr Vassiliou and Mr Denktaş, in the sole presence of the UN special representative.

It is expected that the two leaders will also have opportunities to speak tête-à-tête. In one reported aside yesterday, Mr Vassiliou was heard inviting Mr Denktaş to telephone him whenever he wished.

The two leaders have agreed on a June 1989 target date for reaching political agreement.

Denktaş praises 'pragmatism' of Greek-Cypriot leader

By Jim Bodgener in northern Cyprus

MR RAUF DENKTAŞ, the Turkish-Cypriot leader, has spoken warmly of Mr George Vassiliou, the Greek-Cypriot president with whom he has started talks on the island's future. Mr Denktaş, who gave an interview with the Financial Times earlier this week, also reaffirmed his willingness to show flexibility over some Greek-Cypriot aspirations.

On Mr Vassiliou, whom he met in Geneva last month, Mr Denktaş said: "I would say that we had a far better chance of solving the problem with Vassiliou than we have had with any other Greek-Cypriot leader." The Turkish-Cypriot leader described him as "an intelligent, pragmatic man with his feet on the ground - a nice man to talk to."

He said Mr Vassiliou was in a strong domestic position, but there were "extremists" in southern Cyprus who had arms caches and still talked about continuing the struggle.

On the Turkish troops in northern Cyprus, he said they could be withdrawn according to a timetable after the establishment of a transitional national (that is, Greek and Turkish-Cypriot) government. But an agreed number of Greek and Turkish troops

should remain, partly to curb "hotheads" who might otherwise seek revenge for the past, he added. "Only the Turkish presence keeps our heads cool, our tempers down, and our stance in a negotiating mood," Mr Denktaş said.

Mr Vassiliou, while suggesting that withdrawal in stages would be acceptable, still says the pullout must be complete before the formation of any transitional administration. He also professes that any federal arrangement to be definitive rather than transitional.

On guarantees for a settlement, Mr Denktaş described as sufficient the arrangements in the 1960 agreement which led to Cypriot independence: these name Greece, Turkey and Britain as guarantors. The Turkish-Cypriot leader did not want guarantees from the UN, or from the US, on grounds that this might in turn lead to Soviet involvement.

Mr Vassiliou rejects the idea of a Turkish guarantee. However, the Greek-Cypriot communist party, which helped bring him to power, now says it would accept Turkey as guarantor, alongside Greece, provided Ankara did not retain the right to intervene

unilaterally. Turkey cited this right during its 1974 invasion.

On the "three freedoms" (freedom of movement, settlement and property throughout a federal Cyprus) which are a key Greek-Cypriot demand, Mr Denktaş indicated qualified acceptance in principle of the first two, but reaffirmed his position that the issue of Greek properties seized during the 1974 invasion should be handled by compensation rather than any return to former owners.

On freedom of movement, Mr Denktaş qualified his acceptance by saying that "terrorists like Nikos Sampson" could not be allowed to roam freely through the Turkish-Cypriot zone of a federal Cyprus. Sampson was briefly installed as Cypriot leader during the July 1974 attempt by the junta then ruling Athens to overthrow Archbishop Makarios: it was this coup that triggered the invasion by Turkish troops, who overran the island's north the following month.

On the right of settlement, he cited as a possible model the restrictions on residence which Swiss cantons are entitled to impose on one another.

Stoltenberg confident as growth tops 2%

By David Marsh in Bonn

MR GERHARD Stoltenberg, Bonn Finance Minister, is likely to tell the Franco-German Finance Council meeting in Frankfurt today the West German economy will grow by between 2 and 3 per cent next year, revising upwards the Ministry's previous forecasts.

Although the Finance Ministry is still some way from coming up with a firm detailed forecast for 1989, it is optimistic that real growth in Gross National Product will be above the 2 per cent projected in the 1989 budget forecasts debated by parliament last week.

The better outlook for 1989, together with a confident assessment that economic growth in 1988 will be at least 3 per cent, will be put forward by Mr Stoltenberg to Mr Pierre Bérégovoy, the French Finance Minister, as a sign that Bonn is playing an adequate role in supporting the world economy.

At today's meeting, grouping ministers and senior officials from the two countries, France is likely to express worry about the growing West German trade surplus against other European countries.

French officials, who point to the need for Europe to compensate for a probable economic slowdown in the US in 1989, are less confident than the Germans about the growth outlook for next year.

They also want to warn the Bundesbank, the West German central bank which has been tightening its monetary policy over the summer, against over-reacting to an anticipated increase in the German inflation rate to more than 2 per cent next year.

Stockholm faces 'prospect of instability' as election nears

By Robert Taylor in Stockholm

SWEDEN is facing the prospect of serious political instability after Sunday's general election, according to the final prediction which will be released today by Sifo, the national poll organisation.

This suggests the Greens will secure 7.1 per cent of the vote and hold the balance of power in the new Parliament. The ruling Social Democrats look set for a drop in their vote from 44.7 per cent three years ago to only 42.0 per cent.

The tiny Communist party seems likely to just scrape over the 4 per cent vote hurdle it needs to win seats, with 4.2 per cent.

Since 1985 the Social Democrats have usually been able to rely on the stable Communists to have a working majority because their combined vote was more than 50 per cent. Now they may have to look to the Greens for the extra support they require to govern.

However, the untested and ill-disciplined Greens could try to exact a high price for backing a new Social Democratic

government, making it hard for Prime Minister Ingvar Carlsson to ensure a strong administration.

Sifo is usually fairly accurate in its overall predictions, although it failed to predict the fall of the Social Democrats in the 1976 general election.

The non-Socialist parties in the so-called bourgeois block are not expected to poll more than 44.6 per cent between them - well short of the 50 per cent they would need to try to form a coalition.

The Moderates are down from 21.3 per cent to 18.2 per cent this time, while the Liberals are predicted to register little change from 1985, up only 0.5 to 14.5 per cent. The Centre party is expected to see its vote fall from 12.4 per cent to 11.6 per cent.

The Sifo figures are based on a nationwide sample of 1,094 people taken during the past few days. The established parties are expected to concentrate their fire on the Greens during the last 48 hours before

the polls open on Sunday.

But it looks as though Sweden is likely to have its first new party in parliament for more than 70 years with unforeseen consequences for its economy and for its reputation of political stability.

Sweden's annual rate of inflation fell for the second month running to 6 per cent in August, according to figures released yesterday by the Central Office of Statistics (SCB), although economists warned that the underlying trend is upwards and that inflation can be expected to be around 7 per cent by the end of the year. Sara Webb reports from Stockholm.

The inflation rate has fallen from 7.1 per cent in June to 6.4 per cent in July, chiefly because of the distorting effect of the Government's price freeze which was imposed in the first half of 1987. The gradual relaxation of the freeze in mid-1987 was followed by a sharp jump in prices for July and August last year.

European MPs call for Iraqi arms ban

By William Dawkins in Brussels

EUROPEAN Governments should ban all shipments of weapons to Iraq, and substances and equipment which could be used to make chemical weapons, the European Parliament demanded yesterday.

Its proposed arms ban, supported by all of the assembly's political groups except for the extremist European right, marks the latest step in the increasing international condemnation of the Baghdad regime's alleged use of chemical weapons against Kurdish rebels in northern Iraq.

"This has led to the death of thousands of innocent civilians and verges on genocide," said the statement from European Members of Parliament. It was endorsed by a 78-3 majority.

Several Western countries have asked Mr Perez de Cuellar, the UN Secretary-General to launch an inquiry, but both Iraq and neighbouring Turkey have said they are unwilling to admit UN officials.

The European Parliament yesterday voted to resume contacts with Turkish legislators, suspended eight years ago after the military coup in the Mediterranean country.

The decision opens a potentially valuable link with the European Community for Ankara, which has surprisingly few official links with the EC for a country which lodged a formal application for membership little more than a year ago.

A large majority of Euro-mps yesterday agreed that in the light of last November's elections in Turkey they should reconvene their own EC-Turkey Joint Parliamentary Committee.

City dwellers ravaged by 'unsafe' levels of smoke and dust pollution

By William Dulfiorce in Geneva

LESS THAN 30 per cent of the world's 1.8bn city dwellers breathe air that is sufficiently free of smoke and dust not to endanger health.

Pollution of European rivers is no longer a health hazard, thanks largely to the chlorination of public water supplies, but faecal contamination of water resources still kills many children in developing countries.

These are two of the findings in joint reports on air, water and food pollution from the World Health Organisation and the United Nations Environ-

Swiss growth forecast to slow

SWITZERLAND'S economic growth this year should be about the same in real terms as last year, and is likely to slow down in 1989 and 1990, according to Swiss forecasters, reports John Wicks in Zurich.

The Government's working party for economic studies foresees overall expansion in the coming months, linking this to higher exports and domestic consumption. For 1988, the employers' association, Vorort, says economic growth should exceed 2 per cent. Credit Suisse and Lausanne University's "crea" forecasting unit expect a rise in GDP of some 3 per cent

Lisbon suspends maximum lending rate

By Diana Smith in Lisbon

LIBERALISATION of Portugal's credit system moved a step closer yesterday when Mr Miguel Cadilhe, the Minister of Finance, announced the suspension of the officially-set maximum lending rate.

The top rate allowed has been 17 per cent. From now on, said Mr Cadilhe, it will be freely determined by market forces, and this will in time allow the Bank of Portugal to introduce flexible monetary instruments.

Hoping to keep down inflation and the cost of servicing a huge public debt which equals 90 per cent of GDP, the Government has held tight ceilings on credit while drawing freely, at low interest rates, of its

choosing, on nationalised banks rather than capital or money markets for its financing needs.

This prompted recent recommendations from the IMF and World Bank to allow greater play for market forces.

Credit ceilings as an anti-inflationary weapon have not worked.

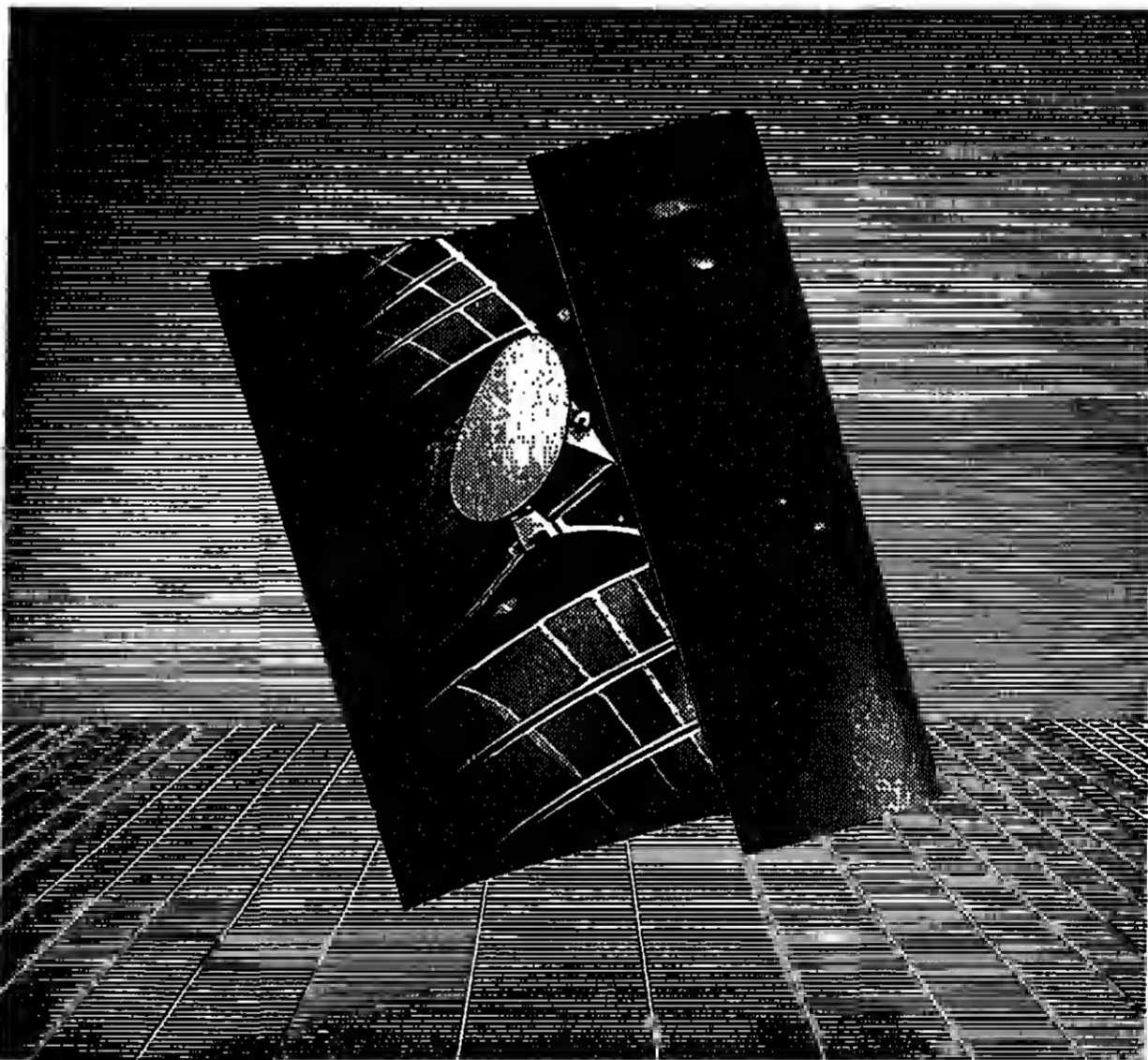
Mr Cadilhe revealed yesterday that year-on-year inflation reached 10 per cent in August. This was a monthly rise of 0.9 per cent and had brought inflation above the December 1987 figure of 9.4 per cent.

The August figure made a nonsense of Mr Cadilhe's confidently-repeated 1988 target of 5.5 to 6.5 per cent.

Having last week blamed imported inflation for missed targets, Mr Cadilhe yesterday lashed out at Portuguese businesses, announcing that companies who "enjoyed vastly improved profits but failed to comply with price policies" would cease to receive financial incentives that, he said, have helped them cut their costs.

The minister also said a number of tax incentives would be abolished in the tightly-managed 1989 Budget. Next year's budget deficit, fuelled by the servicing of the public debt, would be about 7.5 per cent of GDP compared with about 9.5 per cent of GDP in 1988.

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SOCIÉTÉ GÉNÉRALE

IMPORTANT NOTICE TO UK SHAREHOLDERS

Due to delays caused by the postal dispute, special arrangements are being made for shareholders in connection with the recent issues:

6,300,000 6% Convertible bonds with warrants attached at 450 FF per bond.

Shareholders are reminded that the last date for acceptance is 23 September 1988.

For further information or assistance please contact Robin Spratt or James Dewhurst of Société Générale Merchant Bank plc on or-626 5622.

OVERSEAS NEWS

Lebanese pin hopes on a US-Syrian understanding

Jim Muir writes from Beirut on a political crisis which threatens the country with further violence



A Seoul policeman sprays a fellow officer whose clothes were set alight by a fire bomb thrown by a student in demonstrations yesterday over the staging of the Olympics

Olympics plea to Libya

LIBYAN athletes have failed to arrive for the Seoul Games and Olympic chiefs have sent a message to Libyan leader Colonel Muammar Gaddafi urging that they come, a senior Olympic official said yesterday, Reuters reports from Seoul.

Mr Mario Vazquez Rana, head of the Association of National Olympic Committees, said: "We don't know if they are having problems with their plane, or other problems of another nature." Libya boycotted the last Olympics in Los Angeles.

Olympic officials said

Libya's 13-man team had been due to arrive on September 12. They assembled in the team hotel in Tripoli earlier this month, were fitted out with equipment but was then told to go home again.

"The team was there and ready to go, but they haven't shown up," said Mr Vazquez Rana.

He added that he and International Olympic Committee president Mr Juan Antonio Samaranch had sent messages to Libyan leader Gaddafi urging him to let the team come.

LESS THAN a week away from a presidential election - the outcome of which nobody can predict - Lebanon once again finds itself teetering on the brink.

If there is a consensus in Beirut, it is the belief that only an understanding between the US and Syria can prevent the country from plunging into fresh crisis and division.

The efforts of Mr Richard Murphy, the US special envoy, in the next few days will determine whether such an understanding can be found, and will have an important bearing on the political future of Lebanon and the role to be played there by Syria, which sent its forces into Beirut in February 1987 and now has an estimated 25,000 troops in the country.

This road to further chaos has been clearly mapped out. An election session of parliament has been scheduled for next Thursday, just one day before the end of President Amin Gemayel's term of office.

Under multi-confessional Lebanon's 45-year-old power-sharing arrangements the President is required to be a Maronite Christian, the Prime Minister a Sunni Moslem, and the parliament speaker a Shia Moslem. The problem has been finding a Christian candidate acceptable to all factions.

If Mr Murphy fails to produce agreement on a "consen-



On the brink from left to right, Gemayel, Franjeh, Murphy and Syria's President Assad

sus candidate", and the Syrians and their allies continue to press the contentious candidacy of former President Sleiman Franjeh, the hardline Christian Lebanese Forces militia will again boycott the election session, as it did successfully in August.

Apart from Mr Franjeh, the only declared candidate, other possible contenders include Gen. Michel Aoun, the Lebanese army commander, and Mr Raymond Edde, a Christian parliamentarian.

If parliament is denied a quorum and fails to produce a new president - as happened at an abortive first session on August 18 - there will be a constitutional vacuum.

Hard-line Christian leaders insist that in such a situation,

Mr Gemayel must form a transitional government, headed by a Christian Prime Minister, to fill the gap. But the Syrians and their allies in West Beirut have denounced the step as a scheme for partition, and reaffirmed their support for the current government headed by Mr Selim al-Hoss.

With the two sides already exchanging accusations of intimidation, and tension rising along the Green Line dividing East and West Beirut, it is hard to imagine such a scenario going ahead without a relapse into violence.

Yet despite all the ominous signs, there is a surprising degree of optimism on both sides of Beirut that the Americans will somehow sort it out with the Syrians.

"We're still betting on a president emerging in the last quarter of an hour," said Mr Karim Fakradouni, deputy commander of the Lebanese Forces militia in East Beirut. "Murphy's arrival in Damascus is itself 50 per cent of the solution, and the other 50 per cent is up to the negotiations."

Underpinning the hopes, perhaps, is a belief that it is not in Syria's interest to see Lebanon plunged deeper into chaos. Violence has in the past served only to unify the Christian camp and stiffen its defiance. It would only make sense if the Syrians were willing to send their troops to East Beirut to crush the Christian militia, a step from which they have always shrunk in the past.

The current climate of crisis has, it must be said, been largely generated by Damascus. Its continuing support for Mr Franjeh's bid for power was a clear challenge to the East Beirut Christian camp, to whom the former president is totally unacceptable.

Behind the brinkmanship is a clear Syrian insistence that the presidential election must be an occasion for change. So far, Damascus has refused to agree to the election of an innocuous, ineffective president who would simply perpetuate the status quo. It wants to use the election to break the deadlock which has paralysed Lebanon since January 1986, when the current Christian militia commander, Mr Samir Geagea, revolted against a Syrian-sponsored settlement amending the power-sharing arrangements.

Hence Damascus has so far made its approval of a consensus candidate conditional on acceptance of a reform package similar to the accord which was torpedoed in 1986 on the grounds that it gave away too much Christian power to the Moslems, and too much of Lebanon's sovereignty to Syria.

Hence, too, the special role allotted to the Americans. They, Syria believes, are the only party capable of exerting sufficient pressure on the Christians to neutralise Mr

Gegea.

While the Syrians are looking to the US to induce change in East Beirut, the hard-line Christians there are clearly hoping that Mr Murphy can persuade Damascus to back off and accept a compromise candidate without insisting on prior agreement to far-reaching reforms.

If he fails in his unenviable task, the Syrians themselves will be faced with a choice. They could back down and accept a colourless president just to keep the peace. Or they could press ahead with their attempt to impose Mr Franjeh, and plunge Lebanon into further discord.

So far, the Syrians seem determined to try to tighten their grip over Lebanon. Their main fear appears to be that Iraq, now freed to some extent from its war with Iran, will use Lebanon as a springboard for anti-Syrian activities. They are particularly wary of the deepening relationship between Iraq and the Christian militia, whose officials admit that Iraqi interest in Lebanon has been rekindled since the Gulf war stopped.

Such considerations could lead the Syrians to switch their backing to the far from pallid figure of Gen Aoun whose undeclared candidacy is rumoured to enjoy some US support.

Egypt presses for Western aid

EGYPT mounted a campaign yesterday for Western support in tackling its economic problems and President Hosni Mubarak prepared for quick visits to London and Paris, Reuters writes from Cairo.

Mr Mubarak planned talks with Mrs Margaret Thatcher, the British Prime Minister and President Francois Mitterrand of France this month. Egyptian officials and European diplomats said.

News of his planned mission broke as Mr Esmat Abdel-Maguid, the Foreign Minister, urged ambassadors of the seven leading industrial states to continue backing Egypt in slow-moving negotiations on International Monetary Fund help and debt rescheduling.

The President, who views the European Community as a chief supporter of his economic reform efforts, may also visit Italy and West Germany.

ISRAELI FOREIGN MINISTER TRIES TO STEM SYMPATHY FOR ARABS

Peres seeks UK's 'cool judgment'

By Andrew Whitley

MR SHIMON PERES, the Israeli Foreign Minister and Labour Alignment leader, yesterday called on Britain to use its influence with its European Community partners to restrain any rash initiative towards the Arab-Israeli conflict.

Speaking after talks in London with Mrs Margaret Thatcher, the Prime Minister, the Israeli official said Britain could exercise "cool judgment" in the present fluid situation in the Middle East. The outgoing coalition government in Jerusalem is anxious to block a groundswell of support in Western Europe for the possible declaration of a provisional Palestinian government for the Israeli-occupied West Bank and

the Gaza Strip.

The discussions with Mrs Thatcher were said to have focused on moves to block the supply of components and materials for biological and chemical weapons to the Arab world, another current preoccupation of Israel. Mr Peres is also understood to have raised the issue of Britain's supply of Tornado combat aircraft to Jordan.

South African detainees stay in US consulate

By Jim Jones in Johannesburg

THREE South African anti-apartheid activists who escaped from custody on Tuesday have given no indication of when they will leave the sanctuary of the US consulate in central Johannesburg, in spite of assurances by Mr Adriaan Vlok, the Minister of Law and Order, that they would not be re-arrested if they left the building.

The three men believe that though the Government might find it difficult to re-detain them, it is considering other restrictions such as hearings or house arrest. This was the case some months ago when Mr Govan Mbeki, the ANC leader, was released from prison, and later banned.

Taipei reduces payments to defectors from China

By Bob King in Taipei

TAIWAN has significantly altered - but not ended - its policy of offering sizeable rewards in gold to military personnel who defect from China.

The move follows a decision by Peking recently to abandon entirely the practice of offering inducements to military defectors from Taiwan. Members of parliament, scholars, and the public here have long criticised the Government's multi-million-dollar rewards, saying they cheapen the images of genuine defectors by raising the possibility that money, rather than ideological commitment, prompts their action.

Over the summer, a pilot who defected two decades ago severely embarrassed the Government by demanding more money

● China has appointed 17 top military officers as full generals, following a decision to restore conventional ranks and move away from Mao Zedong's ideal of an egalitarian army, Reuters writes from Peking.

Zhao Ziyang, the Communist Party General Secretary who this year, in effect, took control of military affairs, formally granted the general's rank to the 17 at a ceremony on Wednesday and said this year's military reforms were vital.

One Western military attaché said the lack of ranks had led to battlefield chaos in China's 1979 war with Vietnam, when officers were unable to enforce orders among units other than those where they were personally known.

Gas attack 'sparked hijack battle'

THE GUN battle which ended a 26-hour bus hijacking in Lesotho 15 minutes after Pope John Paul arrived, was triggered by South African soldiers who released tear gas beside the vehicle, survivors said yesterday, Reuters reports from Maseru.

British High Commission compound on Wednesday.

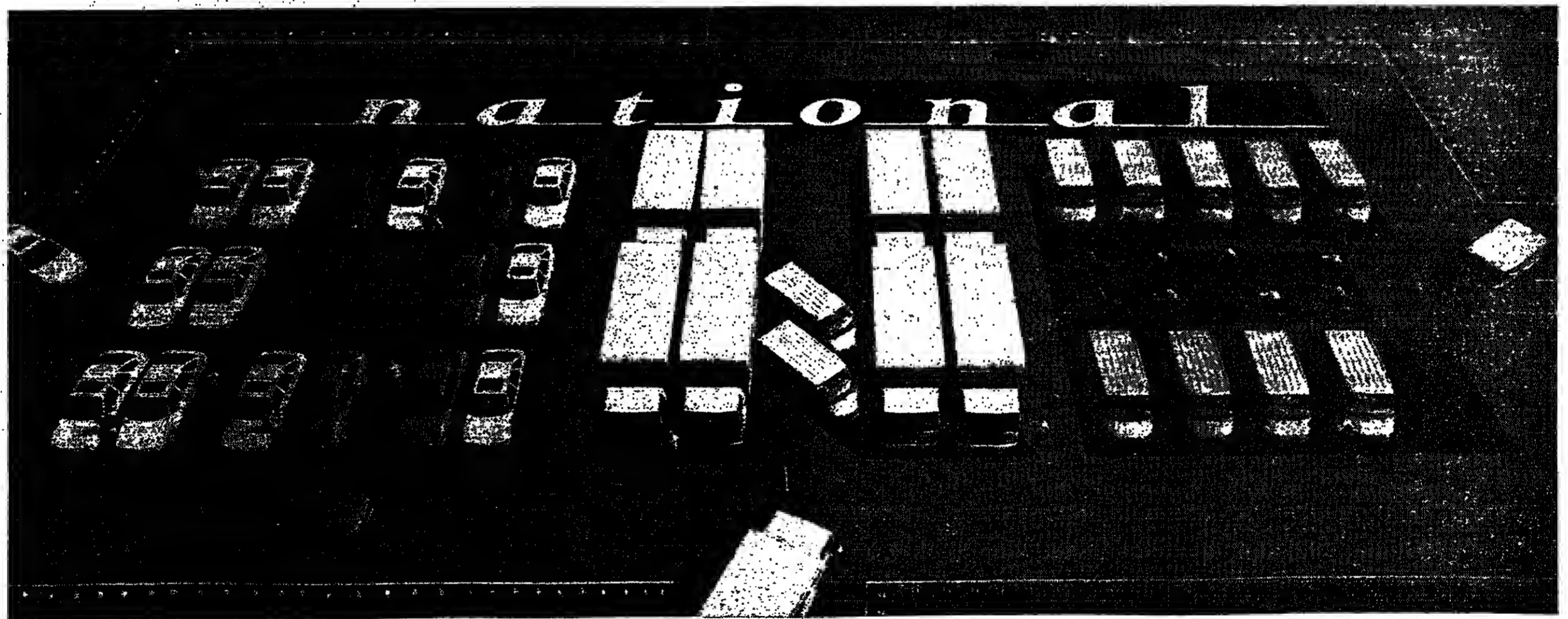
Sister Florina Nyokana, one of the hostages said soldiers lobbed tear gas at the bus moments after the Pope's convoy passed a few hundred metres away.

Sister Florina said she thought South Africans were involved in the shooting. "I saw some white men," she said.

Three hijackers and a 13-year-old schoolgirl died in the 30-minute shootout inside the

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POSTAL STRIKE

Proposed acquisition of Technicolor Holdings Inc.
Rights Issue and Extraordinary General Meeting

In connection with the proposed acquisition of Technicolor Holdings Inc. and the Rights Issue, copies of a circular to shareholders of Carlton Communications Plc ("Carlton"), incorporating a Notice of Extraordinary General Meeting, together with listing particulars and Forms of Proxy for the Extraordinary General Meeting of Carlton have been despatched by courier to the registered addresses in the United Kingdom of Carlton shareholders. However, due to the current disruption of the postal system, plans to convene the Extraordinary General Meeting for 10.00am on Monday, 3rd October, 1988 have had to be cancelled and it is now proposed that the Extraordinary General Meeting be held at 10.00am on Friday, 7th October, 1988 at the offices of Clifford Chance, Blackfriars House, 19 New Bridge Street, London EC4. Accordingly, new Notices of Extraordinary General Meeting and Forms of Proxy have been despatched by post to the registered addresses in the United Kingdom of Carlton shareholders. If any such documents are not received by Carlton shareholders at their registered addresses in the United Kingdom within the next few days, additional copies may be obtained by contacting Carlton Communications Plc, 15 St. George Street, Hanover Square, London W1, telephone (01) 499 8050, and arrangements will be made for copies to be delivered.

In order to be valid, a Form of Proxy must be completed in accordance with the instructions printed on it and returned so that it is received by 10.00a.m. on Wednesday, 5th October, 1988 by the Company's registrars, National Westminster Bank PLC, Registrar's Department, PO Box 82, Caxton House, Redcliffe Way, Bristol BS99 7YA.

In addition, due to the current disruption to the postal system, completed Forms of Proxy may be deposited at shareholders' risk during normal banking business hours before 12.00 noon on Tuesday, 27th September, 1988 at any branch of National Westminster Bank PLC.

This notice is issued by Carlton Communications Plc and has been approved by Hambros Bank Limited, a member of The Securities Association. Hambros Bank Limited jointly underwrote the Rights Issue with Shearson Lehman Hutton International, Inc. and Barclays de Zoete Wedd Limited.

Notice of Meeting of Noteholders



(Incorporated in the United Mexican States)

U.S. \$85,000,000
Floating Rate Notes due 1989

NOTICE IS HEREBY GIVEN that a Meeting of Noteholders of Tubos de Acero de México, S.A. U.S. \$85,000,000 Floating Rate Notes due 1989 will be held at Bank of America, London Branch, Berkshire Room, 7th Floor, 25 Cannon Street, London EC4A 4HN, England, on Friday, September 23, 1988, at 12:30 p.m. (London time).

Tubos de Acero de México, S.A.

México, D.F.

September 16, 1988

YUGOSLAVIA

Vojvodina walks a political tightrope

The nationalist-inspired demonstrations by Serbs against alleged intimidation by ethnic Albanians in Yugoslavia's southern autonomous province of Kosovo are spilling over into the northern province of Vojvodina.

Officials from this ethnically-diverse province - where there are six official languages and more than 20 different nationalities - fear that if the emotionally-charged demonstrations and ethnic tensions continue their special rights and autonomy will be compromised to the point that they will be forced under the direct control of the republic of Serbia.

Serbia has two autonomous provinces - Kosovo and Vojvodina. Serb demonstrators want a sharp reduction in Kosovo's autonomy because of alleged discrimination by ethnic Albanians against Serbs. If the Serbs get their way, Vojvodina's autonomy would be curtailed as well.

Officials and intellectuals from Vojvodina, a region which is often called the breadbasket of Yugoslavia because of its agricultural importance, are slowly beginning to take stock of what they regard as the country's most serious post-war crisis.

Crisis is a term Yugoslavia has lived with since 1948 when the late President Tito boldly stood up to Stalin and decided that Yugoslavia should determine its own model of socialism.

It is precisely that socialist model, born by the intricate and complicated constitution of 1974, which created the autonomous provinces of Kosovo and Vojvodina, that is now being called into question in the form of proposed amendments.

Moreover, those amendments are seen as one of the main causes of the present wave of ethnic tensions.

At the same time, the constitution, which gave the six republics and two autonomous provinces a wide range of economic and political powers, is also seen as responsible for the current economic problems. In 1974, however, such an intricate constitution had a certain raison d'être.

By creating two autonomous provinces and constitutionally linking them to the republic of Serbia, the 1974 constitution aimed at curbing Serbia's political domination of the Federation.

In the first of a series, Judy Dempsey in Novi Sad reports on fears that Serbian protests in Kosovo could mean the end of autonomy for a northern Yugoslavian province



It now appears that Mr Milosevic is proposing that Serbia, and not Vojvodina, should decide on the organisation of this kind of defence, right down to the smallest village unit. Officials in Vojvodina believe that this would mean Serbs from Serbia would run these units. Serbia would also have the right to decide when and what forces should be sent in to any region of the republic.

The other issue is the courts, in which it is envisaged the Supreme Court of Serbia would in future play a greater role in Vojvodina's judicial affairs.

"That constitution created eight individual communist parties; each going its own way, each duplicating big white elephant economic projects; each setting up unwieldy bureaucracies and administrations.

It can be best described as a kind of "autonomous anarchy where any consensus relied on the lowest common denominator and weak compromises," was how one Yugoslav economist put it.

Unusually, Yugoslavs today agree that the proposed amendments, which aim to break the log-jam and inertia of economic decision-making, are long overdue.

The uncertainty about the future status of Vojvodina and Kosovo is heightened by the position of Mr Slobodan Milosevic, Serbia's party leader, who advocates amendments to the Serbian constitution which will erode the much-cherished autonomy of the two provinces.

Officials in Novi Sad, the capital of Vojvodina, argue that the province "will be integrated fully into Serbia proper. Our autonomy, and thus our rights will end. We will lose all our authority."

It appears that Mr Milosevic is in a position to press ahead with curbing the autonomy of the provinces, because the constitutions of the individual republics must reflect and correspond to certain amendments made to the federal constitution.

Taking advantage of these federal amendments, Mr Milosevic is in the position of "defining the exact scope of the Serbian constitution" and how far Serbia can diminish the rights of the provinces.

Under the present Serbian constitution, the two provinces enjoy many of those rights exercised by the republics. Vojvodina, for instance, is free to decide its own foreign policy relations, as well as its internal security, its judiciary and courts, its territorial defence (civilian rather than military), and - of crucial importance to the Vojvodinians - many aspects of economic policy.

Mr Sredoje Erdeljan, the Vice-President of the Executive Council of Vojvodina, who is involved in economic policy, is far from happy with the proposed amendments, which would, for example, transfer decisions on investments and regional planning directly to Serbia.

In addition, other officials say that Vojvodina's steady road towards freeing the economy and agriculture from central planning and allowing more private initiative, would be ruined in.

It is argued that central planning could adversely affect the economy in Vojvodina as well as its ability to feed the rest of Yugoslavia. At the moment, 50 per cent of the province's total agricultural output is earmarked for Yugoslavia, while the remaining 50 per cent is equally divided between exports and the region's own needs.

It is not only the economy which could be affected by the constitutional amendments. Mr Stanko Susnjak, president of the committee for legislative affairs, says that the province could lose control over some of its courts and its territorial defence.

"There are 39 amendments to the Serbian constitution. There are major differences between us and Serbia over three amendments," says Mr Susnjak. One of the most sensitive is the issue of territorial defence.

Recently, Serbs from Kosovo marched in Vojvodina. There, they protested against the alleged plight of the Serbs in Kosovo and demanded moral support from their fellow Serbs in Vojvodina.

The Vojvodinians turned a blind eye. But more demonstrations of this kind could well encourage Serbs in Vojvodina to openly support their fellow Serbs in Kosovo.

"Tensions between the ethnic groups in Vojvodina could suddenly explode," a journalist from Novi Sad said, adding that nationalist Serbs in Vojvodina, who have already been involved in demonstrations in the province, could demand that the province be incorporated into Serbia.

Officials seem aware of this possibility. Which is why they are seeking allies with the northern republics to curb Serbia's grasping hand. In which case, Mr Milosevic could face a formidable and nationalist-inspired opposition to his proposed amendments.

Further articles in the series will be published in the Financial Times next week.

Belgrade exceeds IMF inflation target

By Aleksandar Lebl in Belgrade

STRONG inflationary pressures have ensured that Belgrade will not achieve its goal, agreed with the International Monetary Fund, of holding the rise in prices at 90 or 95 per cent for 1988.

This has emerged with economic data showing public sector revenues - as yet the nearest guide available to public sector spending - are far in excess of target in the first half of the year.

Prices rose 98.8 per cent between December and August alone, and inflation for the full

year now looks likely to reach or exceed 180 per cent.

Total public revenues for the federal, republican and municipal administrations rose by 308 per cent in the first half of 1988, compared with a target of 152 per cent. Federal revenues jumped by 229 per cent, or 72 percentage points above the limit set for its growth.

The Government secured a standby IMF loan of SDR306m (\$235m) after committing itself to a swinging austerity programme and to liberalising prices, imports and the supply of hard currency.

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UK NEWS

Economic data add to inflation fears

Unemployment down, but earnings growth hits 9%

By Philip Stephens and Simon Holberton

THE REMARKABLE buoyancy of Britain's economy was underlined yesterday by a string of official indicators, but there were also signs of a further worsening in the inflation outlook...

Meacher, Labour's employment spokesman, said falls in the total were mainly a reflection of changes in the composition of the statistics and that the true total was still close to 3m.

IRA relatives plan civil action against Ministry of Defence

By Joe Garcia in Gibraltar

RELATIVES of Irish Republican Army members shot dead by the SAS in Gibraltar last March are planning to take civil action against the Ministry of Defence in the Northern Ireland courts...

Mr David Alton, the Social and Liberal Democrat MP, last night defied appeals from party leaders for unity and confirmed that he would refuse to accept a House of Commons motion...

Mr Alton said he could not give Mr Ashdown the loyalty required of a frontbench spokesman, because of disagreements with the party leader in key strategy areas.

MP defies unity call by SLD leadership

By Charles Hodgson

MR DAVID ALTON, the Social and Liberal Democrat MP, last night defied appeals from party leaders for unity and confirmed that he would refuse to accept a House of Commons motion...

Mr Alton said he could not give Mr Ashdown the loyalty required of a frontbench spokesman, because of disagreements with the party leader in key strategy areas.

Thatcher to speak on future of Europe

By Peter Riddell, Political Editor

MRS Margaret Thatcher, the Prime Minister, will next week set out the most comprehensive statement so far of the British Government's views on the future development of the European Community.



Fowler: seeks co-operation

Minister abolishes training commission

By Charles Leadbeater, Labour Correspondent

MR Norman Fowler, Employment Secretary, yesterday abolished the 10-strong governing body of the Training Commission, the Government's job training agency, and announced plans to abolish the Commission itself.

The move ends the last forum through which the TUC and Confederation of British Industry jointly exercised some control over important aspects of Government policy.

It foreshadows a fundamental restructuring of national training policy to be detailed in a White Paper policy document to be published in November.

The White Paper will establish a new central agency to co-ordinate training provision in co-operation with local training bodies, which will have considerable powers to organise training and job creation initiatives.

Employers are likely to have a majority of seats on the governing bodies of these local organisations, which may include representatives of the Training Commission's 28 local areas.

The decision marks a watershed in Government policy-making. The Training Commission was set up in 1974 as the Manpower Services Commission and formed part of the tripartite policymaking machinery, involving the TUC, the CBI, and Government...

Its governing body was made up of three TUC nominees, three CBI commissioners, and two local authority representatives...

It will be replaced in the short term by an agency within the Department of Employment, which will work directly to Mr Fowler...

Mr Fowler said the policymaking governing body had to be abolished after the TUC's vote last week to boycott the Government's recently launched Employment Training programme for the adult unemployed...

Mr Fowler said it would be impossible for the TUC's commissioners to take responsibility for a major programme to which the TUC was opposed...

He said he hoped individual unions would continue to co-operate locally with Employment Training and other programmes. Unions will be invited to participate in the local bodies to be established by the White Paper.

Pay growth fastest since 1982

By Philip Stephens, Economics Correspondent

THE underlying pace of earnings growth in Britain has quickened to its fastest since 1982, with average earnings in the year to July rising by an annual 9 per cent against 8.2 per cent at the end of 1987...

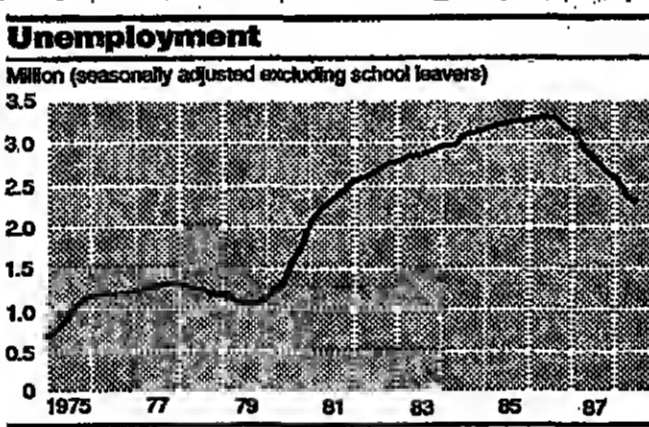
The acceleration, spread evenly across the manufacturing and service sectors, prompted a warning yesterday from Mr Norman Fowler, the Employment Secretary, that "excessive" pay awards could damage prospects for further falls in unemployment.

It also heightened concerns about the outlook for inflation, with Mr Fowler urging pay bargainers not to use an expected quickening in the rate of retail price rises over coming months as an excuse for higher pay awards.

An anniversary to forget

Ralph Atkins on 13 years of high unemployment

CELEBRATIONS are unlikely as Britain this month marks the 13th anniversary of an unemployment figure over the million mark. Joblessness remains an unwelcome scar on the UK's economic performance.



widely blamed for the big shake-out in industry. Unemployment rose from a low of 1.1m in September 1979 to more than 3m by 1986.

The economic outlook is much rosier today, although the rise in unemployment between 1979 and 1986 has been only slightly mitigated. On the other hand, the Government can fairly argue that further improvement in the labour market may have been discouraged for two reasons.

First, the effect of time lags: not surprisingly, the economic upswing appears to have been demand-led. Factories have responded to increased demand from consumers by increasing output, rather than the other way round.

Second, demographic trends were unfavourable in the early 1980s. There was a big rise in the size of the working population, especially in the group under 25, where unemployment rates tend to be higher.

Looking into the 1990s, demographic trends will be more accommodating. Department of Employment projections show the labour force increasing at an annual rate of 0.8 per cent to the next seven years compared with 0.7 per cent between 1981 and 1987.

When, then, will unemployment fall below 1m again? It is unwise to be too optimistic. Simulations by the Ernst & Whinney Independent Treasury Economic Modelling Club suggest such good news may be delayed until well into the 1990s at the earliest.

The results indicate that unemployment will indeed fall to future years. On the optimistic assumption of 3 per cent growth a year, unemployment would fall to 2.2m next year and to 1.4m by 1992.

However, the conclusions are sensitive to the assumptions made. For instance, they assume a fall in the rate of increase in earnings - which seems unlikely if the economy continues to grow at such a fast pace.

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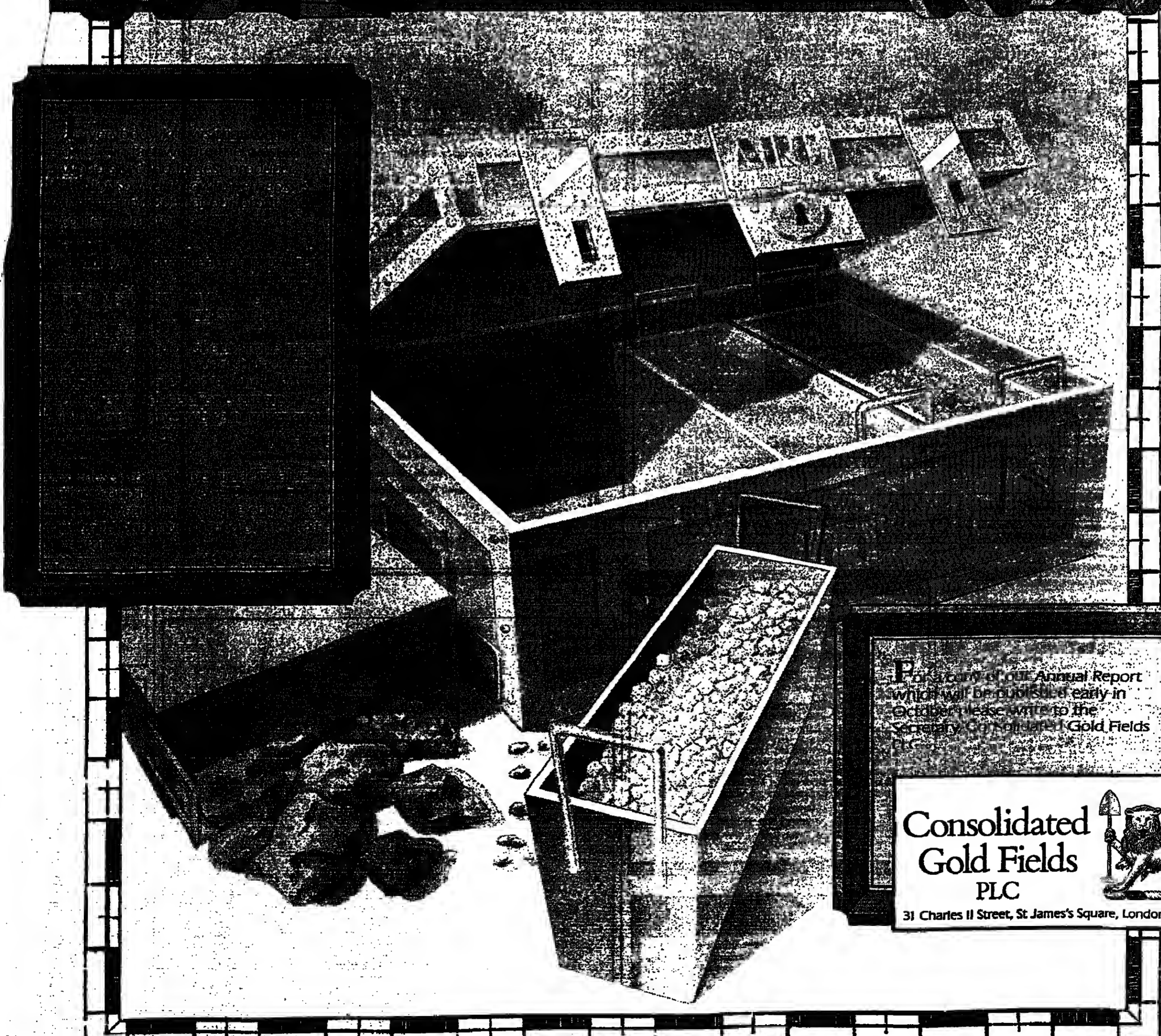


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THE PROPERTY MARKET

William Cochrane looks at the growth and specialisation of independent property researchers

Children of the prosperous 1980s

Unlike London's low equity market, where lack of volume has left individuals and firms being bought, sold and ditched, commercial property is still growing fast and the once-humble researcher is in high demand.

result. These four are:
● Applied Property Research, one of the prime sources on the Central London office market;
● CACI, which has a division providing demographic information on urban areas and retail location analyses;



Left to right: Michael Nicholson, Rupert Nabarro, Yvonne Court, Geoff Marsh

"People used to be interested in 'comparables' - effectively precedent on rent and value evidence of transactions and in ownership," he elaborates. "Surveyors were happy with that level of input for quite a long time. Then people said there's more, much more; prospective tenant demand, existing and potential supply, relative portfolio performance."

exploiting his own database and found himself the target of an agreed takeover bid earlier this summer by Rosehaugh, the kingpin of Central London office development.

limited supply there, the prospects for decentralisation. In fact, he is very happy about his new parent. "Not a single constraint has been imposed on us that we didn't have before," he declares.

that Rosehaugh should be perceived not as a property company but as one which understands the role of property in generating profits.

considerable opportunities for retail growth there in the next 18 months."
The fourth participant, CACI is a US-quoted company with offices in Washington DC, New York, Los Angeles, London and Edinburgh, and is much bigger than the other three with a total of some 100 professional staff.

Advertisement for Windsor Properties. Features the word 'NOW' in large letters, 'AVAILABLE' below it, and an image of a building. Text includes 'BLOCKS 1, 2 & 3', 'TOP CITY SPECIFICATIONS AT HAMMERSMITH RENTALS', and 'FROM 41,900 - 148,000 sq ft'. Logos for Jones Lang Wootton, Healey & Baker, Saxon Law, and Fletcher King are at the bottom.

Advertisement for Speciality PLC. Features an image of a large building. Text includes 'This announcement appears as a matter of record only', 'LEEDS CORN EXCHANGE, A CURRENT DEVELOPMENT BY SPECIALITY SHOPS', 'SPECIALITY PLC', and '£15 MILLION PRIVATE PLACING and acquisition of The Mount Provincial Developments Group for £3.3 million'. Lists shareholders and is advised by Rutland Corporate Finance Limited.

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Advertisement for Warwickshire. Text: 'WARWICKSHIRE 1.35 ACRES. Prime residential development site. Close to M40 Route. FOR SALE BY TENDER. 1.35 ACRES. DE GROOT COLLIS 01-408-1504.'

Advertisement for Dunlop Heywood. Text: 'DUNLOP HEYWOOD TO LET MANCHESTER MODERN OFFICE & WAREHOUSE 59,364 sq. ft. Fully fitted including sprinklers. Close to M602.'

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Advertisement for De Groot Collis. Text: 'DE GROOT COLLIS SOUTH HARROW INDUSTRIAL ESTATE NORTHOLT MIDDLESEX Single Storey Industrial Building with First Floor Offices Sq. 15,034 Ft. Approx. FREEHOLD FOR SALE 28/29 DOVER STREET LONDON W1X 4AE 01-408 1504'

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And our credit analysis service can give you detailed reports on specific companies.

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And we can also help make exporting a safer and more profitable exercise with various services ranging from credit insurance to non-recourse finance.

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For some companies, of course, they may prove rather more than just sensible.

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From the day we first introduced the Apple™ Macintosh™ personal computer, it has talked in a language that we can

is all too often held on someone else's computer system.

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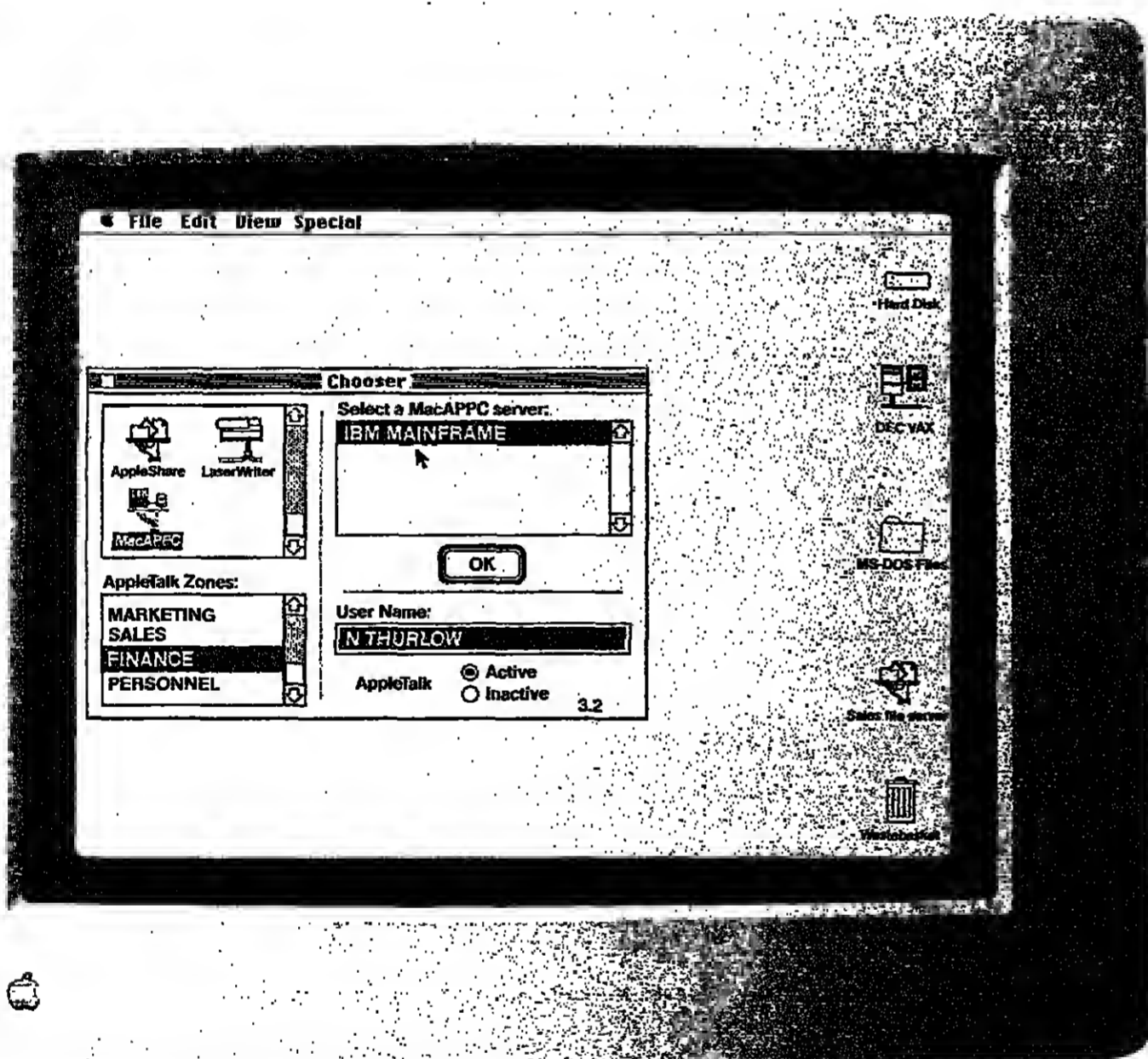
As a consequence, productivity improves by leaps and bounds.

To be precise, an in-depth survey, carried out by the accountants KPMG Peat Marwick, showed a 24% improvement with Macintosh users against their previous performance with conventional computers.

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all understand. Instead of the mumbo-jumbo of conventional personal computers, it uses easily understood words and symbols such as files, folders and menus which, with the help of a mouse, speeds and simplifies operating. That's the bright side of the coin.

However, if you're running a management information system, utilising conventional mini or mainframe technology, you must be only too well aware of the communication problems.

The very information your people need to do their jobs

TECHNOLOGY

All lined up for the great data race

Della Bradshaw reports on the communications feat involved in broadcasting the Olympics

Over the next 16 days, television sports presenters around the world will impress viewers with the extent of their knowledge about athletes and events at the Seoul Olympic Games. But they will be relying on computer memory rather than their own.

As the Games go "live" in the early hours of tomorrow morning, race results will be distributed to scores of countries using a wide area network, appropriately called Wins. This is connected to the Games Information On-Line Network System (GIOS), a mainframe computer system which will process results from the 28 venues for 26 different sports.

Within the Olympics complex, the information processed on GIOS will be available via more than 1,000 Wins terminals. The Seoul Olympic Organizing Committee (SIOC) is expecting about 6,000 newspaper journalists and 10,000 in broadcasting to come to South Korea for the Games. All will be hungry for information about winners and losers within seconds of their fortunes being decided.

SIOC is confident that the system will handle all the inquiries. GIOS was used in a dress rehearsal for the Olympics during the Seoul Asian Games in 1986.

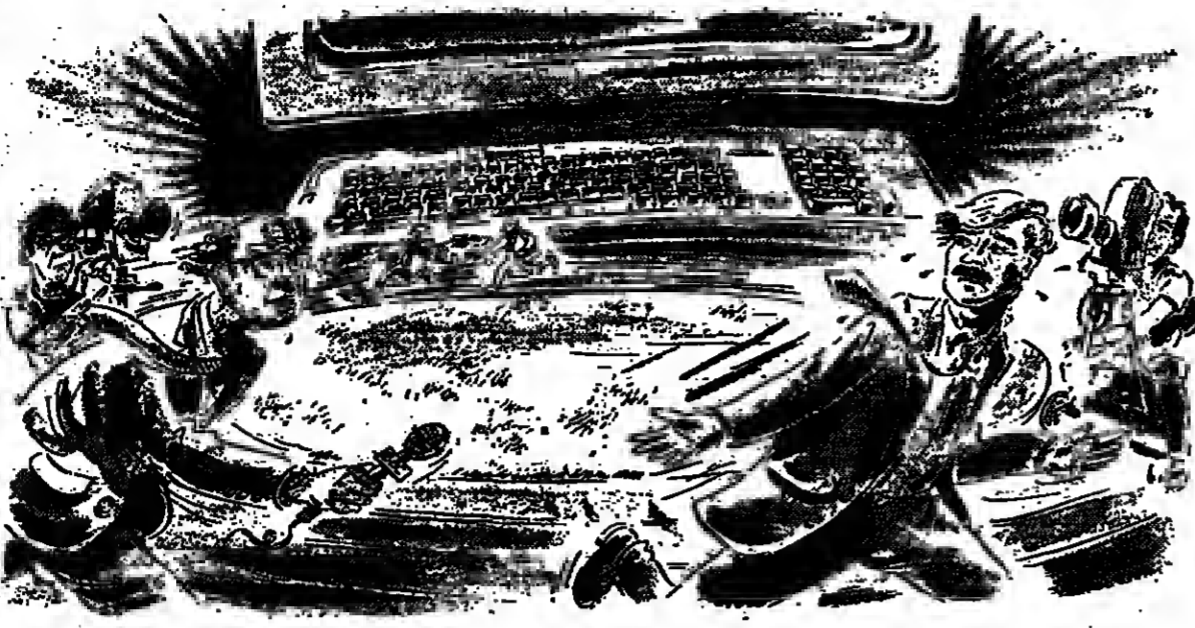
However, this time it will have a lot more data to process. More than 12,000 athletes from a record 161 countries will be competing. An estimated 3bn television viewers plus newspaper readers around the world will be waiting for that information.

In the UK, the BBC has a dedicated telephone line installed between Television Centre in west London and the Wins network in Seoul. This means that the results will be displayed on a computer in London within seconds of being announced in Korea. If the dedicated line fails, the BBC will use British Telecom's public data network, the PSS (Packet SwitchStream).

ITV Sport, which is handling the broadcasts for both the ITV channels and Channel 4, has three IBM personal computers in London connected to the Dicom UK electronic mail service. That in turn is connected to Wins in Korea through a public data network which uses the latest packet switching techniques. This means that the information is sent in packets, rather than in a continuous stream, which makes it much easier to deal with faults on the line or errors of data.

Authorized users in 52 countries can tap into Wins through their local public data networks in a similar way.

As well as processing live information, such as results, GIOS has a stored database of information about all the athletes and events. Whether the broadcasters are in Korea or sit-



ting in front of terminals in Paris, Tokyo or New York, they will be able to call up that information.

"If an unknown athlete wins an event, we can interrogate Wins in Korea and find out within seconds all about his background, previous best time and so on," says Mike Ward, senior producer for ITV Sport. Other information on the GIOS database includes previous medal winners and information on world, Olympic and national records.

The distribution of data about competition and events is crucial to the successful coverage of the Games. But even more important is the successful broadcasting of television pictures. Since the first inter-continental satellite broadcast of the Olympic Games from Tokyo in 1964, television pictures of the Games have taken on enormous commercial significance as well as entertainment value.

Of the \$400m (£237m) being paid for television rights to the Games, more than \$300m is coming from the Amer-

ican company NBC. The European Broadcasting Union (EBU), which represents broadcasters in 29 European countries, has paid \$28m.

But the expense does not stop there. NBC has spent a further \$100m setting up its broadcasting centre in Seoul, making arrangements for staff and installing equipment. The combined budget of \$18m for the two British television companies looks comparatively modest.

A specially constituted division of the Korean Broadcasting Service (KBS), called the Seoul Olympic Television and Radio Organisation (SORO), will be the main source of television pictures from the Games. However, broadcasting companies from other countries, such as NBC of the US and the BBC and ITV from the UK, have sent camera teams to cover events of special national interest. In the case of the UK, that centres on the equestrian and hockey events.

SORO will have more than 225 television cameras at the 23 venues, each of which will be linked by an optical fibre cable to the international broadcasting centre. From there, pictures and sound will be beamed around the world on 25 satellite channels.

Three of those channels are being leased by the EBU and OIRT, the broadcasting organisation which represents Eastern bloc countries. These two are working together to send television signals to countries in Europe, the Middle East, North Africa and the Eastern bloc. Two Intelsat communications satellites over the Indian Ocean, at 53 and 66 degrees east, will be involved.

At three broadcasting centres in Europe - London, Paris and Rastatt in West Germany - the broadcast signals will be converted from the 625-line NTSC standard used in Korea, the US and Japan to the 625-line PAL standard favoured in most of Europe.

the Korean Lucky-Goldstar Group. Wins has been developed by the Korean company Data Communications (Dacom) and is an Ethernet network using co-axial cable, operating at 10 megabits per second. There are also 500 printers attached to the network to print out results.

Information on Wins can be obtained in three languages: English, French and Korean. However, English is the only language available to broadcasting companies accessing the system from overseas.

The signals will then be broadcast throughout the recipient countries. France and any other country using the Secam broadcast standard will have to convert them again for their own use.

In addition to those three channels, the EBU and OIRT have leased two extra ones from Intelsat which can be booked by their member broadcasters for transmitting unilateral "feeds" such as interviews with individual athletes. The BBC and ITV Sport each have their own additional broadcast channels.

If all else fails, the EBU has a back-up route for getting television pictures back to Europe via north America. The signals would be sent to a satellite 130 degrees east of the Pacific Ocean and on to Lake Cowichan in Canada. They would then go to the EBU broadcasting centre in New York and on to Europe via another leased satellite transponder.

The Japanese broadcasting company NHK has joined with television manufacturers to promote high definition television through the Olympics. It will be displaying broadcasts of the Games on huge public screens in railway stations, department stores and hotels around Tokyo. America's NBC will try to attract more viewers and listeners by broadcasting the Games in stereo sound.

One development, favoured by both the BBC and ITV Sport, is the use of tape cassettes for recording the broadcasts from Korea, rather than the traditional reel-to-reel tape. The cassette system was used experimentally by the BBC during the Winter Olympics in Calgary, but will be particularly important for the round-the-clock coverage from Seoul.

The cassettes can be removed from the machines and replaced within seconds, in the same way as a domestic videotape. As they do not have to be rewound, like the older reel-to-reel tapes, they save time for programme editors.

One of the most difficult aspects of the Games for European broadcasters will be the time difference - West Germany, for example, is eight hours behind Korea. Live broadcasts will be shown through the night, with edited highlights during the day - a continuous 24-hour-a-day, 16-day marathon.

"We have to have systems that are very reliable, because we can't stop to fix things," says John Carter, senior technical coordinator for studio operations at the BBC. Like other broadcasters he admits the fortnight will be a real endurance test.

Higher, faster, stronger may be the motto of the Olympic athletes. At these Olympic Games, it could become an appropriate motto for the broadcasters as well.



WORTH WATCHING

Edited by Geoffrey Chartish

'Super slurper' based on starch

ABSORBENT Industries, on the west coast of the US, has developed a substance called CMT (co-monomer technology) which, as soon as it makes contact with water, is able to absorb hundreds of times its own weight. It has been nicknamed "super slurper".

The polymer is a starch derivative that is not soluble in water. It can be used as a soil additive, with the advantage that it will ensure that seeds and seedlings have an adequate supply of water without requiring additional watering. An important application could therefore arise in the transport of plants.

In addition, being starch-based rather than plastic (as in traditional absorbents), it can be used in animal feeds and bedding.

The company has developed CMT with the support of the US Department of Agriculture and holds world patent rights.

The first pilot factory, near Portland, Oregon, will start test runs in October. Full scale production is scheduled for March 1989.

Absorbent Industries is looking to form joint ventures in Europe and the first production plant in the Middle East is in the final planning stages.

DE LA RUE is hoping to interest the world's police forces in an image storage system that uses optical discs similar to the compact discs used for music.

Some 60,000 "mug shots" can be kept on a single disc and retrieving the image of

any suspect's face takes only three seconds. Electronic digital storage means that images can be sent over communications links to other stations or forces.

De La Rue, which already has its finger-print image system in use in 11 countries, says that an individual's name, previous case number, the type of incident and its location can be stored with the picture.

Detectives will be able to draw up "picture galleries" in various ways (by type of incident, for example), or allow witnesses to see a line-up of suspects. Later, the company will offer a simultaneous display of finger prints and photographs.

Other applications will probably be in prisons and for port of entry control, where a passport control officer will be able to see lists of wanted or suspect persons.

Detecting faults in phones

THE ADVANTAGE of "direct dialling in" (DDI) in a company telephone system (PABX) is that it brings an outside line to each user's desk without going through the company operator. In effect, each user has his own public telephone number.

The snag is that if there is a PABX software fault, the user knows nothing, except that his telephone seems unusually silent.

To help solve this problem, J&D Gomarsall of the UK, is offering a product called DDI Interceptor, which will detect such a fault and then connect the telephone direct to the local public exchange.

The company says it is the only product to meet the requirements of Ofel (Office of Telecommunications), which are due to come into force next April.

It's an ill wind...

ONE beneficiary of the postal strike was the UK's Telecom, of the UK. It offers a fax broadcast service that will send a message to any number of destinations. It includes a store and forward facility, which means the messages are passed on at the most appropriate time to recipients in any country.

CONTACTS: Absorbent Industries, US, (503) 256-5544; De La Rue, UK, 0258 29122; J&D Gomarsall, UK, 0859 246733; International Telecom, London, 402 3461.

THE Olympic Games results computer

known as GIOS (Games Information On-Line Network System), has been developed by the Korea Advanced Institute of Science and Technology, an IBM 4381 mainframe computer.

A second IBM 4381, used to manage the issuing of tickets and the allocation of accommodation and transport, can also be used to back up the first mainframe. The ticketing and accommodation software has been developed by Samsung Computer and the

Korea Information Computing Company

At each of the 23 sports venues there are two IBM System 36 mini-computers, one to feed results to the central mainframe and the second to act as a back-up.

Information about competitors, processed by GIOS, is sent to the Wide Information Network Services (WINS). Connected to this, in the Olympic complex alone, are more than 1,000 Mighty 16 IBM compatible terminals made by Goldstar, part of

the Korean Lucky-Goldstar Group.

Wins has been developed by the Korean company Data Communications (Dacom) and is an Ethernet network using co-axial cable, operating at 10 megabits per second. There are also 500 printers attached to the network to print out results.

Information on Wins can be obtained in three languages: English, French and Korean. However, English is the only language available to broadcasting companies accessing the system from overseas.

COMPANY NOTICES

USA Debt - 05.09.1988
NOTICE OF ADJOURNED MEETING OF THE HOLDERS OF 8% SERIES B DEBENTURES TO MATURE JANUARY 1, 1989 OF TURBO RESOURCES LIMITED

NOTICE is hereby given that the meeting of the holders of the 8% Series B Debentures to mature January 1, 1989 (hereinafter referred to as the "debentures") of Turbo Resources Limited (hereinafter referred to as the "Company") based under a trust indenture dated the 1st day of January, 1985 made between the Company and Montreal Trust Company of Canada, Inc. (hereinafter referred to as the "trustee") is hereby adjourned to be held in London, England on September 5, 1988 at 11.00 a.m. (Local Time) in the City of London, England.

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What's more, whether you're looking to recruit or considering a career move, you'll find a variety of UK and International Legal

Appointments in Corporate Finance, Commercial Litigation, Commercial Property, Banking, Insurance, Tax and Intellectual Property. For learned insight, you can depend on the FT's new Legal Pages. But don't take our word as evidence.

Reach your own verdict by reading the Financial Times every Monday from 26th September.

FINANCIAL TIMES
Legal Pages

POLITICS TODAY: Joe Rogaly

As the conservative tide ebbs

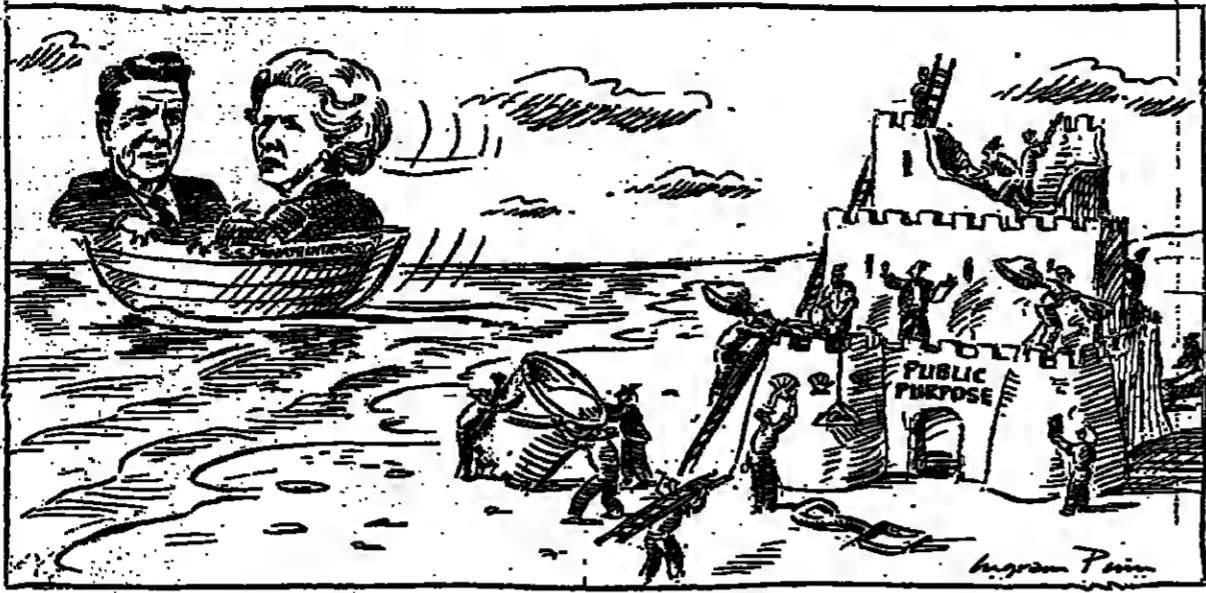
The cult of the individual, which is at high tide in much of the Western world, will recede.

The question is not whether, but when. In its place, I suspect, will be a return to the values of community.

These assertions require support. There is plenty to hand. In the United States Reaganite individualism has had a strong decade, but there is much evidence to suggest that what passes over there for its converse...

Mrs Thatcher's emphasis on the individual eschews community, even when backed by Scripture

singer's father, himself a distinguished historian. In 1924 Schlesinger predicted that Coolidge conservatism would last until about 1932; it was indeed superseded at that time by the New Deal.



about 1978. President Reagan was elected in 1980.

Writing in 1985, the younger Schlesinger takes the cycle forward to 'shortly before or after the year 1990' when once again private interests will be treated before public purpose.

The difficulty for the genuinely liberal Democratic candidate, Mr Michael Dukakis, is that the US polity is on the cusp. The label 'liberal' is still a vote-repeller.

political cycles probably differ from those that govern the US, but during the 1980s the conservative phase has been synchronised right across the Atlantic.

Many British opposition politicians are now telling themselves that, if only Mr Dukakis were to win, people would cease to believe in the inevitability of a series of further Conservative general election victories.

This thought should give courage to European politicians on the centre-left. Some, like the West German social democrat Mr Oskar Lafontaine, and the French socialist Mr Jacques Delors (now President of the European Commission) are seeking new initiatives of individuals eschews community, even when her interpretation is backed by an idiosyncratic invocation of Scripture.

to dictatorship. All this was certainly true in the extreme instances of Hitler's Germany and Stalin's Russia, both in the forefront of Hayek's mind at the time he wrote his famous polemic.

There are, however, more than two options. The British centre parties should place strong emphasis on the value of citizenship, which is something beyond the concept of the individual as a mere consumer or voter.

The British Prime Minister has been widely quoted as expressing a disbelief in 'society' as a concept, but she does of course understand that when young British soldiers give their lives in Northern Ireland they are doing so to defend the greater community to which they belong.

abstract concepts should go to the Germans, starting, perhaps, with Ferdinand Tönnies' *Gemeinschaft und Gesellschaft*, Community and Society, published in 1887.

To the bottom-line economic minds of Thatcherite ideologues such speculative stuff is the next worst and most inexplicable thing after pornography.

Yet market-dominated individualism is something so new in human history that we cannot be certain that it provides all the answers. It does not seem to be in Britain, when the least competent of the underclass are urged to stand on their own two feet.

Market-dominated individualism is so new we cannot be certain it provides all the answers

worship of individualism as an exclusive way of life. The grotesquely named Community Charge has the very businesslike effect of transferring some of the cost of administering the needs of local communities from the backs of the rich to the shoulders of the poor.

LOMBARD Odd man out in space

By Peter Marsh

THE KENNEDY Space Centre in Florida, in the US, is a good place from which to mull over the usefulness of extravaganza in the cosmos - and on the role of the state in these activities.

The centre, the main launch site for the US space shuttle fleet, is at the focus of a civilian space programme which, since the Challenger tragedy of January 1986, has been desperately hard hit.

Despite this, doing things in space commands a great deal of support among the US public and the political establishment.

What does this mean for Britain, which in the past year has opted out of being a significant player in industrial and scientific work in space?

The US space programme fulfils a need felt by the average American to see his or her country adopt a strong position in an area widely linked to technological advances.

The UK's refusal to go along with the consensus stems partly from the reluctance of Mrs Thatcher's Government to put state resources behind

industrial activities which it thinks should be the responsibility of the private sector. Hence the official UK line that if private enterprise will not come up with the billions of pounds needed for ambitious projects outside the earth's atmosphere, then the schemes must go unsupported.

The official view in Britain on the limits of state action manifests itself not just in deliberations over celestial matters, but in many other, more mundane, earth-bound areas.

The UK capital's overloaded roads, railways and underground train system are running to the limit of their capacities, but there is a general unwillingness to use the powers and resources of central government to deal with the problem.

The US space shuttle programme itself provides a hint of the way in which private and public sector should be able to co-operate.

There can be no cries here of the US Government acting as smothering nanny. Rather it provides a framework for action - which is what it was elected for.

This kind of spirit should be cultivated in Britain. Our children will not forgive us if we persist in the piggishness which, in the past year, has characterised the UK's approach to space policy.

LETTERS

Protectionism by quota

From Mr Daniel Moylan. Sir, Mr Bridge (Letters, September 10) argues that the case for defending the interests of consumers from trade protectionism is based on a semantic confusion. Are not most consumers also producers, making up on the roundabouts of production what they lose on the swings of consumption?

Thus protection by quotas in the textile industry is actually a universal regressive tax authorised by Parliament; the proceeds of which flow to the textile industry.

Questions as to how continuation of these arrangements can be squared with the competition policy of the Government may be addressed to the Hon. Francis Maude MP at the Department for Enterprise, and to Mr G. Clercq at the European Commission.

'Highly intelligent mice'

From Mr Hugh Aldous. Sir, I'm not sure that Nick Tarrant is right to say (Letters, September 13) that accountancy - or the legal profession, for that matter - attracts able people from university who might otherwise add value to industry and the economy.

The recruitment season opens. Sir, your reference to moves in Canada to phase out polychlorinated biphenyls (PCBs) in the manufacture of electrical equipment (September 9) could imply that PCBs are used in the UK capacitor industry.

Connection loud and clear

From Sir Eric Sharp, Chairman, Cable and Wireless. Sir, The merger of the Eastern Telegraph Company and the Marconi Wireless Telegraph Company in 1989 as 'Cable and Wireless' (Letters, September 15) was not designed simply to 'protect' cable interests, but was a valuable exercise of individuals eschews community, even when her interpretation is backed by an idiosyncratic invocation of Scripture.

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Advertisement for DSM fertilizer. Text: 'To get our fruit trees to grow a lot faster, we improved the water drip.' Includes an image of a tree and a person watering it. DSM logo and slogan: 'If we don't have a solution, we find one.'

New standards for TV transmission could be international. From Mr Andrew Vere. Sir, The US decision against the 1125/60 high definition television/video option (Letters, September 8) is another example of government intervention preventing international common standards.

selfish why that base has been eroded - all that remains is peripheral and film transport equipment. The reason is that the UK domestic customer base was state controlled. Even after the 1983 introduction of independent television the situation did not change: it was simply a case of transferring a monopoly into a duopoly.

Broadcasters have dominated TV transmission in Europe. But non-broadcasters provide the customer base for the new television technology. The 1125/60 line system will be used to produce and generate high quality pictures, no matter what.

State interference in Europe has provided repeated examples of 'good intentions' frustrating and corrupting the potential basis for a whole new generation of entrepreneurial ideas. The Europa project may well be successful - in 10 years time - but by then the UK will no longer have any single manufacturer capable of producing high volume television equipment.

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FINANCIAL TIMES

Friday September 16 1988

IDC DESIGN CONSTRUCT ENGINEER STRATFORD-UPON-AVON TEL. 0789 204288

Ford to build electronics plants for \$185m

By Kevin Done in London and Tom Burns in Madrid.

FORD MOTOR of the US is to invest \$185m to build two electronics plants in North America and West Europe to meet surging demand for electronic car components.

Both the Spanish and US facilities will produce so-called EEC-IV electronic control modules (ECMs), the on-board computers which are designed to manage critical aspects of engine performance, fuel economy and emissions control.

The Spanish electronics plant will be located at Puerto de Santa Maria, near Cadix. It will employ around 350 people. Pilot operations are scheduled to begin in 1990 with full capacity reached in 1992.

Racal wrings the right number

The Racal publicity machine is moving into top gear with the pathfinder prospectus for Racal Telecom, and while this is sufficient reason to be sceptical about some of the boasts being made about one of the world's biggest cellular phone operators, it promises to be one of the more exciting stock market debuts for some time.



their diversity of business and location suddenly seems desirable to investors anxious about rising interest rates and the squeeze on consumers.

Despite a market value of \$4.8bn, the company is likely to increase its earnings this year by more than 20 per cent, and next year by a little less.

BTR may never again be a glamour stock, but it surely deserves more than its single figure p/e multiple. It is these prospects, rather than yesterday's somewhat odd free gift of a warrant, that may cause investors to look again at the future.

Testing time for economic co-operation

David Marsh on today's meeting of the Franco-German Finance Council

TODAY'S Franco-German talks in Frankfurt look at first sight like a meeting between an irresistible force and an immovable object.



Mr Pierre Bérégovoy, French Finance Minister (left), and Mr Hans-Dietrich Genscher, president of the West German Bundesbank (right), met in secret on Wednesday to discuss ways of calming European currency markets.



The treaty establishing Franco-German Finance and Defence Councils, which both governments wanted raised by a dispute over the central bank's autonomy.

But over the longer term, French and German economic policymakers will have a tough job avoiding conflict. Today's gathering is the third full session of the Franco-German Finance Council grouping finance and economy ministers with central bank governors, created last January.

interest rate increases and heavy dollar sales run counter to efforts by Paris to stimulate its economy through easier credit.

German exports to the rest of the EC. The signs of shakiness this month in the EMS mean that both France and Germany will want to avoid any statements likely to encourage a speculative run into the D-Mark.

count rate indicates that Paris is giving priority for the moment to maintaining the franc's EMS value.

Jayawardene to step down in Sri Lanka

By Mervyn de Silva in Colombo and Robin Pauley in London

PRESIDENT Junius Jayawardene of Sri Lanka, who is 82 tomorrow, has decided not to stand in the forthcoming presidential elections due between December 4 and January 3.

Government has told shopkeepers and private bus operators that failure to maintain normal services will make them punishable under emergency regulations.

The ruling United National Party's presidential candidate in place of Mr Jayawardene is to be Mr Ramasighe Premadasa, the Prime Minister, who was one of the strongest opponents of the Indo-Sri Lankan peace accord which met many of the Tamil demands.

or Mrs Sirimavo Bandaranaike, leader of the SLFP, the main opposition party, is installed as president on February 4. Such a statement could, however, heighten suspicions that Mr Jayawardene will still try to pull strings if his party wins.

UK expects first major delivery of mail today

By Jimmy Burns, Labour Staff, in London

THE UK Post Office last night said it expected the first major national delivery of mail between Britain and abroad to be underway today.

Moscow reveals nuggets on gold

Continued from Page 1. Ings have been channelled into upgrading his trading room.

Texans prepare to weather storm

Continued from Page 1

On its present course, it will hit the coast near Brownsville on the Texas-Mexican border by early this afternoon. But even if it veers away, it is likely to cause extensive damage elsewhere.

The hurricane, which was classified as force five, the strongest category, lost some power as it crossed the Yucatan on Wednesday. But it began to regain strength yesterday as it crossed the Gulf.

area of Galveston was one of the first areas to be evacuated, as roads serving the area were expected to be flooded by tides three to four feet above normal in advance of the storm.

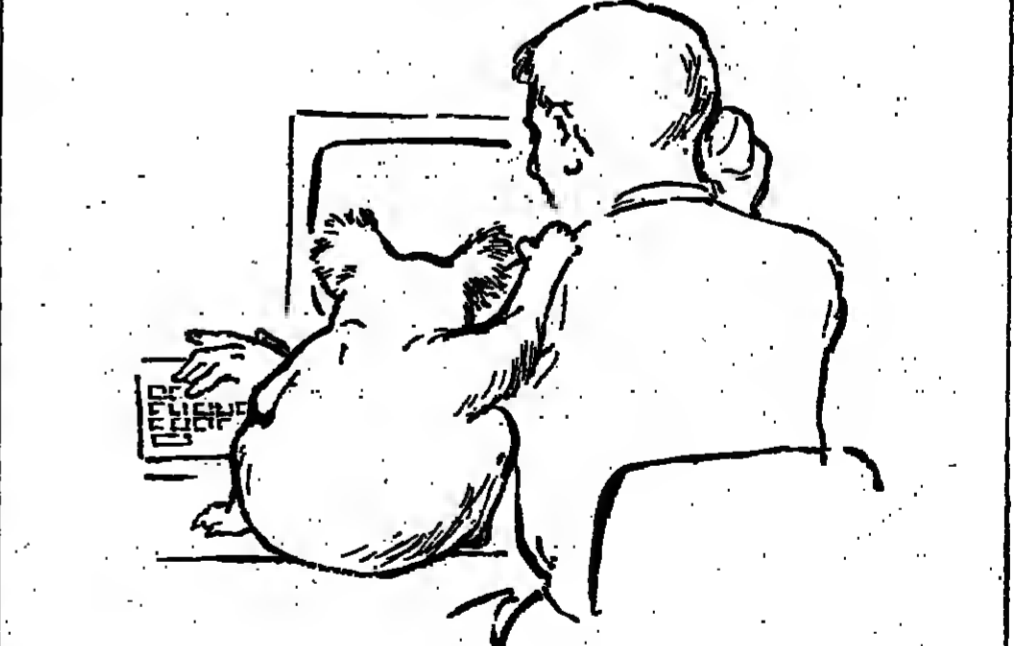
Table with columns for city, temperature, and weather conditions. Includes cities like Alpbach, Alpbach, Alpbach, etc.

Price Waterhouse signal

Continued from Page 1

been no moves so far in the US to follow suit.

ment committee of Price Waterhouse World Firm.



Our treasury team is user friendly

Being an Australian bank helps. We're naturally friendly. But even more important, Westpac is easy to deal with. Our entire treasury operation, our team and the systems which service our clients are directed towards your needs.

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INTERNATIONAL COMPANIES AND FINANCE

Zayre to sell loss-making discount chain to Ames

By Roderick Oram in New York

ZAYRE, the US stores group, has agreed to sell its loss-making discount chain to Ames Department Stores for \$900m and a large minority stake in Ames so it can concentrate on its profitable specialty retailing operations.

The Massachusetts-based company said it planned to pass on to shareholders a "substantial portion" of the proceeds from the disposal through a large stock buyback or other action. Its shares rose 1% to \$24 after the announcement while Ames slipped 2% to \$16.

Zayre has been seeking for some time a solution to the problems of its 385 discount stores which reported operating losses of \$69m on sales of \$1.4bn in the first half ended August 1. Specialty retailing and warehouse clubs, in contrast, had operating profits of \$77.3m on sales of \$1.3bn in the same period.

Hit by competition, Zayre's primary goal was to restore the discount stores to health by, for example, a new merchand-

dise mix aimed at winning back their traditional low to moderate income families.

But the stock market was not prepared to give Zayre time to do so, Mr Steven Wishner, Zayre's treasurer said. By selling the stores to Ames and taking a stake in the company, the stores gain "breathing room" in a sheltered environment.

Ames has shown more success with its discount stores which continue to expand rapidly. Analysts consider its clear strategies for the stores should help it turnaround the Zayre stores. Both chains are predominantly in eastern and mid-western states, though Ames stores have typically less selling space and are in smaller communities than Zayre's. Ames earned net profits of \$33m on sales of \$2.1bn last year.

"Our discount department stores division represents an excellent fit with the Ames organisation," said Mr Maurice Segal, Zayre's chairman. Positive factors include comple-

mentary management skills, retail locations and distribution facilities.

Zayre will receive net some \$22m cash from the deal out of which it will pay down some \$25m of its short-term debt. Most of the rest will be distributed to shareholders. The company will take a third quarter after-tax charge of \$10m arising from the discontinued operations.

It will also receive Ames' preferred stock convertible into 8m common shares at \$25 each. Converted, the stake represents about 17.5 per cent of Ames common stock.

Zayre, which agreed not to raise its stake to above 20 per cent, will become Ames' largest single shareholder and will nominate two of its directors and vote with its management on certain issues. The transaction should help Ames block unwelcome overtures. Although no raider has emerged, the stock sometimes has been cited as a takeover candidate.

FN Herstal cuts deficit, sees further recovery

By William Dawkins in Brussels

FABRIQUE Nationale Herstal (FN), the problematic arms and aeronautics offshoot of Belgium's Société Générale, has reduced its first-half loss and forecasts continuing improvement for the second six months of the year.

Group turnover was unchanged at BF11.5bn (\$174.2m), while net losses came to BF770m, a BF700m improvement on the first half of last year.

FN's main defence and jet engine-making divisions lifted sales by 2.5 per cent to BF7.5bn, on which they made a BF298m loss, an BF700m improvement on the comparable period's BF1.09bn deficit.

At the consolidated level, turnover rose slightly to BF7.24bn, including BF7.7bn from Browning, the small arms producer, which became a subsidiary - rather than a group division - in 1987.

Browning is expected to produce a profit for the year, but the rest of FN can expect only a slight improvement, said the company.

It added: "These advances, while inadequate, reflect the efforts made by the group in its action programme for 1987 and 1988. These efforts will be continued in 1989." Those plans included a 1,000 reduction in the 4,000 strong workforce and extensive cost-cutting.

Cost of thrift rescues put at \$50bn

By Anatole Kaletsky in New York

THE US General Accounting Office decided yesterday to raise to between \$40bn and \$50bn its estimate of the cost of rescuing the nation's insolvent savings and loan institutions.

The GAO, the official auditing arm of Congress, had previously put an upper limit of \$36bn on the likely cost of thrift rescues.

The new projection, which GAO officials said would be formally disclosed in Congressional testimony, confirmed that the financial collapse of the thrift industry was likely to prove the costliest debacle in the history of US lending institutions, overshadowing even the Third World debt crisis which erupted in 1982.

The GAO's figures will also intensify pressure on Mr Danny Wall, the embattled chairman of the Federal Home Loan Bank Board, to issue more realistic estimates of the

cost of thrift bailouts.

A policy of greater realism, in turn, could raise further doubts about the ability of the technically insolvent Federal Savings and Loan Insurance Corporation (FSLIC) to continue guaranteeing depositors' funds. The GAO told Congress in June that FSLIC was insolvent, even assuming that the cost of thrift rescues could be confined within the lower bounds previously used by the accounting body.

Mr Wall, however, has insisted that FSLIC's future cash flow would be sufficient to provide up to \$30.5bn for rescuing insolvent thrifts and that this sum would be adequate to solve the industry's problems.

If, as expected, Mr Wall raises his estimate of the cost of thrift failures, he will be hard put to explain how the new costs are to be met.

Officials in the Reagan Administration, including Mr

Wall, have repeatedly promised Congress that taxpayers' funds would not be used to solve the thrift industry's problems. In recent weeks, however, these reassurances have begun to wear thin, exacerbating both the financial and the political difficulties of the thrifts.

The American Institute of Certified Public Accountants has told its members to question the value of FSLIC obligations listed as assets by rescued savings and loan institutions, while some of the federal home loan banks have refused to accept FSLIC notes as collateral for emergency borrowings.

Mr Wall initially responded to these challenges by asking Congress to put the full faith and credit of the US Government behind all FSLIC obligations. But after receiving an extremely hostile response in the House of Representatives, he abandoned this approach

earlier this week.

Instead, he has asked the US Attorney General for a legal ruling which would confirm the Administration's publicly stated position that FSLIC already enjoys full government backing.

According to numerous accountants, such guidance might raise as many questions as it resolved, since under the US Constitution Congress, rather than the President, is ultimately responsible for fiscal and monetary matters.

Meanwhile, Democratic Party leaders have pointed out that thrift failures have been due to a combination of deregulation, high interest rates, managerial incompetence and financial abuses. As such, the Democrats argue, the thrift industry's troubles are the first of many disastrous legacies of Reaganomics which will become apparent over the years.

Bid to force sale of Zenith unit

By Our New York Staff

BROOKHURST Partners, a New York investment group, has initiated a series of court and shareholder actions designed to step up pressure on Zenith Electronics to sell its loss-making television and video operations.

Brookhurst group is asking a Delaware court to overturn certain by-laws governing Chicago-based Zenith so the partnership can try to get three of its nominees elected to Zenith's board. It also wants to shrink the company's board from 10 to six members.

The partnership, led by Mr Herbert Abelow and Mr Nicholas Ihasz, two arbitrageurs, said the actions were necessary to give Zenith a sense of direction.

In a letter to Zenith's board, the partnership said: "Zenith share owners have waited patiently for management to unveil a realistic plan to achieve profitability.

"Yet, after three and one half years of multi-million dollar losses, management offers no assurance that any action will occur or even be proposed."

The company, the last remaining US-owned television manufacturer, has been trying for some time to find a partner or buyer for its consumer products division, which accounted for nearly 50 per cent of its \$2.88bn in sales last year.

Losses from the division more than eradicated profits from the company's successful computer operations, which constitute the other half of its business.

Brookhurst stressed it had no desire to takeover or try to run Zenith.

Anglovaal unit raises payout

ANGLOVAAL INDUSTRIES, the industrial arm of the Anglovaal mining house, is raising its dividend to R1 a share from 75 cents, writes Jim Jones in Johannesburg.

The company lifted consolidated turnover to R2.71bn (\$1.5bn) from R2.53bn and pre-tax profit to R399m from R246m in the year to June. Net earnings increased to R5.83 a share from R4.15.

The directors expect a further improvement in the current year even though a slower economic growth rate is forecast for South Africa.

Paris SE to unveil fund-raising plan to restore its reserve fund

By George Graham in Paris

THE FRENCH Stock Exchange will present member firms on Monday with the details of the major fund-raising operation designed to restore the bourse's reserve fund after heavy trading losses in late 1987 and the early months of this year.

The complex operation is designed to raise a total of around FF700m from member firms, banks and insurance companies, to add to the FF300m remaining after the trading losses which led to the resignation in June of Mr Xavier Dupont as stock exchange chairman.

A subsequent operation will raise FF500m for a guarantee fund, with contributions from member firms weighted according to their exposure and to their capital bases.

The exchange has already imposed a minimum capital level of FF20m by the end of this year, rising to FF25m at the end of 1989, and is working on a set of capital adequacy ratios to be applied to each firm. These are expected to be announced by the end of this year.

The capital increase, which is expected to be put to a vote



Xavier Dupont resigned as chairman after heavy losses

on October 3, comprises a number of different categories of stock, designed to take account of the differing financial situations of member firms. In addition to nine firms which have been in financial difficulties, a number of small firms are expected to find it hard to come up with their share of the capital increase.

Besides those banks and insurance companies which have bought stakes in stock

Valmet issue 80% subscribed

By Olli Virtanen in Helsinki

THE PARTIAL privatisation of Valmet, Finland's first state-owned company, has been a qualified success, with 80.5 per cent of the shares on offer being taken up by investors.

The remaining shares will stay with Kansallisaika-Pankki and Postipankki, the two Finnish commercial banks that guaranteed the issue.

The metal and engineering group raised FM780m (\$176m), including a premium of FM650m, in the issue, which consisted of 6.5m shares priced at FM120. The issue was subscribed by 10,000 investors, including 1,600 Valmet employees.

The state's share in the group was reduced from 100 per cent to just below 20 per cent, the maximum holding the Helsinki Stock Exchange allows any single shareholder in a listed company. Valmet plans to apply for a listing on the exchange in October.

Valmet and Kansallisaika attribute the failure to sell all the shares to unstable market conditions and a flood of issues in September.

Du Pont president to be next chairman

By Peter Marsh

DU PONT, the US's biggest chemicals company, yesterday named Mr Edgar Woolard, 54, as its next chairman and chief executive. He will take over next April from Mr Richard Heckert, who is retiring.

The widely expected announcement comes 18

months after Mr Woolard took over at Du Pont as chief operating officer and president. Mr Woolard joined Du Pont in 1957 as an industrial engineer.

The tennis-playing Mr Woolard has a reputation as a relaxed individual who is not afraid of taking tough deci-

sions. One Wall Street analyst said last night he thought Mr Woolard would continue Du Pont's thrust in recent years to focus more strongly on the specialist, high-value aspects to the chemicals business, with a consequent reduced dependence on commodity materials.

This announcement appears as a matter of record only.

15th September, 1988

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4 3/4 per cent. Guaranteed Notes 1992

with

Warrants

to subscribe for shares of common stock of Iwatani International Corporation

The Notes will be unconditionally and irrevocably guaranteed by

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Issue Price 100 per cent.

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Nomura International Limited	Sanwa International Limited
Credit Suisse First Boston Limited	
ANZ Merchant Bank Limited	BNP Capital Markets Limited
Cosmo Securities (Europe) Limited	Daiwa Bank (Capital Management) Limited
Goldman Sachs International Corp.	KOKUSAI Europe Limited
Merrill Lynch International & Co.	Morgan Grenfell Securities Limited
The Nikko Securities Co., (Europe) Ltd.	J. Henry Schroder Wagg & Co. Limited
Société Générale	Taiheyo Europe Limited
Towa International Limited	Toyo Trust International Limited
S.G. Warburg Securities	

This announcement appears as a matter of record only.

15th September, 1988

NEW ISSUE

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Yamaichi International (Europe) Limited

Fuji International Finance Limited Daiwa Europe Limited Citicorp Investment Bank Limited Cosmo Securities (Europe) Limited Robert Fleming & Co. Limited Kleinwort Benson Limited Morgan Grenfell Securities Limited Nippon Credit International Limited Nomura International Limited	Union Bank of Switzerland (Securities) Limited LTCB International Limited Yasuda Trust Europe Limited Commerzbank Aktiengesellschaft Crédit Lyonnais IJB International Limited Merrill Lynch International & Co. The Nikko Securities Co., (Europe) Ltd. Nippon Kangyo Kakumaru (Europe) Limited J. Henry Schroder Wagg & Co. Limited
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INTERNATIONAL COMPANIES AND FINANCE

IEP lifts income to HK\$765.3m

By Michael Murray in Hong Kong

INDUSTRIAL EQUITY Pacific (IEP), the Hong Kong listed securities investment vehicle controlled by New Zealand's Sir Ron Brierley, has reported net profits of HK\$765.3m (US\$98.1m) for the year to June, an increase of 88.6 per cent.

Asset sales contributed most of the profits, while the recovery in the value of the group's share portfolio made an anticipated writedown of HK\$391m, announced in January, unnecessary.

Turnover more than tripled to HK\$15.4bn from HK\$5.1bn. Sir Ron said the value of IEP's portfolio had risen more strongly than markets in general. As at November 30 there had been a deficit of HK\$994m between the cost of the share portfolio and its market value but by June 30 this had turned into a HK\$1.76bn surplus.

He added: "Although we were adversely affected by the October crash, we had little exposure to stocks whose worth was dependent on 'blue sky' expectations or incestuous paper stuffing."

Significant asset disposals during the year included the sale of Higbee, the US stores group, which led to a gain of around HK\$450m, as well as the group's holding in Equity and Law, the UK life insurer.

Shares were also sold in Redfern National Glass, Scottish and Newcastle Breweries, Ameron and Union Special.

Some HK\$65m in goodwill was written off after the acquisition of a majority interest in Toyer Kemsley and Millbourn, the British motor trader.

The company has announced a one-for-five bonus issue. Instead of a final dividend it will pay a second interim dividend of 20 cents, allowing New Zealand investors to take advantage of tax law changes which come into effect in October. The year's total is 30 cents against 20 cents.

Coles Myer announces 1-for-8 scrip issue

By Chris Sherwell in Sydney

COLES MYER, Australia's largest retail group, yesterday announced a one-for-eight scrip issue and a sharply increased dividend payout when it reported record profits and sales for the 53 weeks to July.

The company showed a \$0.2 per cent increase in net profits from operations to A\$28.3m (US\$260.5m), including equity-accounted earnings from associates. Retail sales reached A\$12.77bn, up 12.3 per cent from the previous year's A\$11.37bn.

As expected, the figures confirmed Coles's position as the country's biggest retailer. Directors declared a final dividend of 20 cents per share, making a total of 32 cents fully franked, compared with the previous year's 24 cents.

Shares from the scrip issue will rank for the final dividend and will be free of income tax. One significant feature of the results was an extraordinary write-off below the line amounting to A\$313m, which among other things cover the goodwill arising from the purchase of Progressive Enterprises, the New Zealand retail chain.

The group received permission from the National Companies and Securities Commission not to comply with the recently-introduced accounting standard requiring the amortisation of goodwill against profit over 20 years.

Analysts also drew attention to the higher-than-expected profits from sales of non-current assets, which amounted to A\$56.8m and came on top of an impressive pre-tax operating profit of A\$522m, up 28 per cent.

Mr Brian Quinn, chairman and chief executive, said: "All major areas of the corporation have met or exceeded our profit expectations." In the past, the group had displayed some areas of weakness balanced by other areas of strength.

Myer's shares finished 15 cents higher at A\$10.80, on a day when shares closed generally firmer. Coles shares have reached a peak this year of A\$11.35.

Mr Quinn said the group had improved its performance at the corporate level, in areas such as funds management, taxation and overall cost control, and it was benefiting from increased retail trading hours in several states.

Apart from the Progressive acquisition, which was the group's first international expansion, Mr Quinn said highlights of the year included a continued profit recovery in the department stores sector, Coles' expansion in the discount food sector and an increased contribution to profit from the Super K mart group.

On the stock market, Coles Myer's shares finished 15 cents higher at A\$10.80, on a day when shares closed generally firmer. Coles shares have reached a peak this year of A\$11.35.

North Broken Hill raises net profits 75%

By Our Sydney Correspondent

NORTH Broken Hill, the Australian base metals and forest products group, yesterday reported net profits for the year to June of A\$103.7m (US\$82.3m), up 75 per cent from the previous A\$59.0m.

On an equity-accounted basis, net earnings were A\$101.5m, up 45 per cent. The results included five months' earnings from Peko-Wallsend, with which North announced a A\$1bn merger last December. They came on the back of sales which rose to A\$1.84bn from A\$1.16bn.

Because of the merger, the group wrote off A\$406m, representing goodwill on the Peko acquisition and the cost of unexercised Peko options. As a result it reported an extraordinary loss of A\$371.7m.

Although North's issue of shares as part consideration for the acquisition increased the share premium reserve by A\$307m, the directors said the extraordinary loss meant no final dividend would be paid. Instead they proposed to declare an additional interim dividend of 5 cents out of

1988-89 profits, payable in December. They had previously declared a fully-franked interim dividend of 4 cents.

A breakdown of operating earnings before interest and tax showed a marginally weaker performance from the mining and smelting division, which contributed A\$66.6m against A\$70.4m.

The forestry and paper division, on the other hand, improved its contribution to A\$22.5m from A\$75.5m, due to strong demand and higher prices for paper, export pulp-

wood and some timber products. The Peko operations performed more strongly than the previous year, thanks in part to record iron ore production at Robe River in the Pilbara region. They contributed A\$57.2m to North's profits over the five months from February.

Another A\$68m came from Peko Oil and uranium producer Energy Resources of Australia, which became subsidiaries as a result of the merger. Dividend income doubled to A\$15m.

Property boom in HK helps Hysan

By Our Hong Kong Correspondent

HYSAN DEVELOPMENT, a Hong Kong property development and investment group, yesterday reported net profits of HK\$175.4m (US\$22.5m) for the six months which ended in June, an increase of 28.8 per cent over the same period last year.

Turnover rose to HK\$289.5m from a previous HK\$257m. Hysan benefited from the current boom in the Hong Kong property market, where rental levels in both the commercial and residential sectors have risen significantly this year.

All the group's existing commercial and residential properties are fully let and work is under way on several new developments in Hong Kong, in addition to a joint venture project in Shanghai.

Hysan is in the middle of a takeover bid for Paul Y Holdings, a local construction company. Its general offer to shareholders is open for acceptance until September 29.

The company also announced yesterday that it has made arrangements for its shares to be quoted on the London Stock Exchange through the Stock Exchange Automatic Quotation system.

Advance at ANI to A\$74.8m

By Our Financial Staff

AUSTRALIAN National Industries (ANI), the country's leading heavy engineering group, boosted net profits by 11.5 per cent in the year to June to reach A\$74.8m (US\$59.3m) compared with A\$67.1m.

The result, equity-accounted to include associates' contributions, came despite a dip in sales to A\$1.43bn from A\$1.46bn. Although the company did not break down divisional earnings, manufacturing operations were described as having produced an excellent improvement. The distribution side was also ahead in spite of difficult conditions for its vehicle franchises.

However, ANI's contracting business suffered from a "substantially worse" result at Comeng Rolling Stock, attributed largely to reduced government orders and industrial unrest in Victoria.

Overall, a reduced interest bill of A\$12.4m against A\$18.9m offset a rise in depreciation charges to A\$32.8m from A\$28.3m. The dividend for the year totals 10.2 cents a share, up from 9.5 cents.

An extraordinary charge of A\$4.7m, made because of tax adjustments, compares with a A\$2.2m credit last time.

Boost for Saudi Cairo

SAUDI CAIRO Bank, a troubled joint venture with Egypt's Banque du Cairo, has more than quadrupled pre-provision profits for the first half of 1988 to SR8.08m (\$2.15m) from SR1.91m, writes Finn Barre in Riyadh.

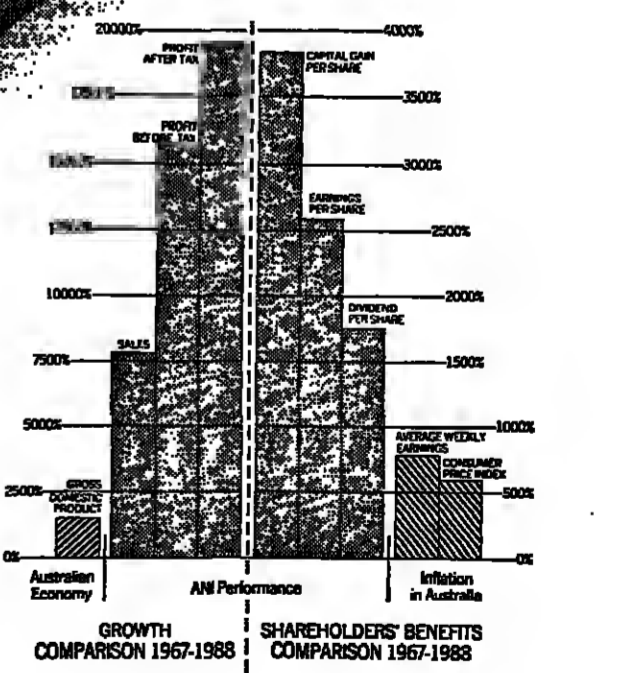
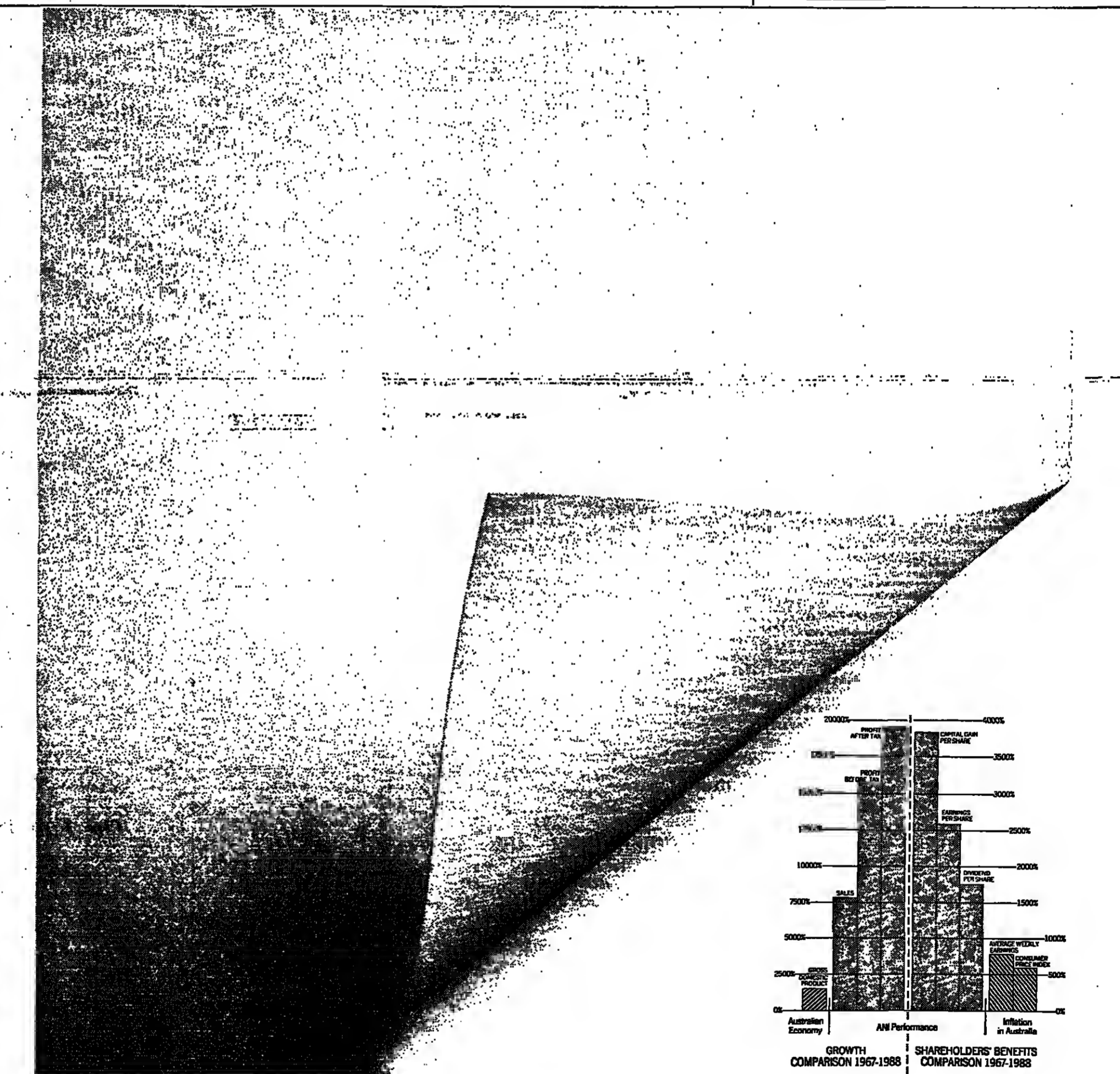
The bank may therefore end the full year in the black for the first time in four years. Total assets rose 5.3 per cent to SR8.53bn. Saudi Cairo reported a 2.2 per cent interim rise in loans and advances to SR4.28bn and a matching increase in deposits to SR6.89bn.

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Blackwell House Guildhall Yard, EC2. Lease for sale. 5150 sq. ft. attractive self-contained office building overlooking Guildhall Yard. Saddlers House, Currier Lane, Cheapside, EC2. Surplus air-conditioned offices on sub-lease for 2/3 years 1200 sq. ft. to 6000 sq. ft. BAKER HARRIS SAUNDERS

COMMERCIAL SURVEYORS AND ESTATE AGENTS



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Table with 4 columns: Metric, 1967, 1988, Compound Growth P.A. Rows include Sales, Profit before tax, Profit after tax, Earnings per share, Dividend per share.

Every year since 1967, our profits before and after tax have increased. So have dividends per share. There aren't a lot of companies that can boast such a record, especially in the difficult engineering sector.

Our products and services are at work throughout Australia and the rest of the world, supporting industry and Government and helping satisfy consumer demand. We export to over 30 countries and operate a growing range of international businesses.

We have four core divisions: contracting, distribution, manufacturing and service. If you'd like to know more about our aims and achievements, phone or write to Debbie Potts (01-638 9571) at Dewe Rogerson Ltd, 3 1/2 London Wall Buildings, London Wall, London EC2M 5SY. And all will be made visible.

ani Australian National Industries Limited. THE INVISIBLE WIZARDS OF OZ

The contents of this statement, for which the Directors of ANI Limited are solely responsible, have been approved for the purposes of the Financial Services Act 1986 by Moore Stephens as an authorized person. The rules of the SIB require a statement that rates of foreign currency exchange and levels and bases of taxation can vary and that past performance is not necessarily a guide to the future. ANI Limited has a listing for its shares on the Sydney and Melbourne Stock Exchanges.

Canadian Imperial Bank of Commerce (CIBC) NOTICE to the holders of CANADIAN IMPERIAL BANK OF COMMERCE (CIBC) US \$100,000,000 16 3/4% Debentures due October 15, 1991 (the "Debentures"). NOTICE IS HEREBY GIVEN that, in accordance with Section 4.01 of the Ninth Supplemental Indenture providing for the issue of the Debentures, CIBC has elected to redeem all of the outstanding Debentures on October 17, 1988 (the "redemption date").

Schroders

Interim Statement

15th September, 1988

The Directors of Schroders Public Limited Company have resolved to pay an interim dividend for the year ending 31st December, 1988 of 6p per share on the Ordinary Shares of £1 each (fully paid) and on the non-voting Ordinary Shares of £1 each (fully paid). This dividend is the same as the interim dividend paid in respect of the year ended 31st December, 1987.

The dividend will be payable on 27th October, 1988 to shareholders whose names appear in the Register of Members of the Company as at 29th September, 1988.

The profits of the Schroder Group for the first six months of 1988 were lower than in the same period of the previous year.

120 Cheapside, London EC2V 6DS

INTERNATIONAL COMPANIES AND FINANCE

Struggle for LVMH bubbling to a head

A race is on to build a leading stake in the luxury products group, writes Paul Betts

Shares in Moët Hennessy-Louis Vuitton (LVMH) have been sparkling on the Paris bourse this week as the struggle for control of France's leading champagne, cognac and luxury products group nears its long-awaited climax next week.

More than 11 per cent of the company's shares have changed hands in the last three sessions of hectic trading, which has pushed the LVMH share price to new highs and placed the group at the top of the market capitalisation league on the bourse, with a value of FF37bn (\$5.5bn).

The protagonist of the latest LVMH buying spree has, once again, been Mr Bernard Arnault, the youthful chairman of Financière Agache, who has rapidly emerged as the new strongman of the luxury products group.

By the end of last month, Jacques Rober, the company's 50 per cent held by Mr Arnault and 40 per cent by Guinness, had accumulated 30 per cent of LVMH shares on a fully diluted basis. This had cost FF12.1bn, of which Mr Arnault footed FF7.3bn and Guinness FF4.8bn.

To finance his share, Mr Arnault drew FF4bn from his Bouscass textile group and a further FF2.5bn by a private placing of 42 per cent of the capital of his Dior holding company.

The private placing was completed on August 12, with 80 per cent taken up by French investors. These included Crédit Lyonnais and the Worms group, which invested about FF600m each, and 20 per cent acquired by foreign investors, including Nippon Life, which also invested FF500m.



Alain Chevalier (left) and Henry Racamier must seek common position on strategic direction

supervisory board which will subsequently elect an executive management board.

Although Mr Arnault and Guinness have been the main force behind the hectic movement in LVMH shares, the Louis Vuitton camp led by Mr Alain Chevalier, the current LVMH chairman, has between 14 and 15 per cent of the shares and between 21 and 22 per cent of the voting rights.



Alain Chevalier (left) and Henry Racamier must seek common position on strategic direction

After the catharsis last summer, all sides have adopted a careful conciliatory tone before next week's special meeting.

This camp has been seeking to consolidate its position as a significant shareholder of the group by ensuring itself a blocking minority stake.

ent strategic ideas for the management of a luxury products group provoked the rift with Mr Chevalier, has continued to say that Mr Chevalier will be chosen to head the new executive management board.

Thus, barring any last-minute coup de théâtre, the special meeting is expected to approve the constitution of a new 12-man supervisory board which will include four representatives from each of the three camps.

Among the new board members are expected to be Mr Anthony Tennant, chairman of Guinness. This supervisory board is expected to elect its chairman the following Monday and subsequently elect the new executive management board, which will be responsible for running the company.

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- PROFIT BEFORE TAX £7.015m — UP 48%
- TURNOVER £42.4m — UP 36%

Building Excellence as Standard

Copies of the Report and Accounts will be obtainable from the Secretary from 3rd October.

The Bellwinch Group of Companies
Malcolm House · Empire Way · Wembley · Middlesex · HA9 0LW · Telephone: 01-902 1101
Fax No. 01-903 4974

Agiv rights to raise DM54m

AGIV, the West German chocolate and coffee group which lost the battle to take over Rowntree, will pay its shareholders a 20 per cent bonus from the extraordinary profit it collected when it sold its 29.9 per cent stake in the UK confectionery company to the victor, Nestlé.

Jacobs Suchard to pay bonus

YESTERDAY, Jacobs reported extraordinary net income from the takeover battle of SF850m for the first half of 1988, after paying consultants' fees and other charges.

Turnover at East Asiatic well ahead

THE East Asiatic Company, the Danish-based international trading group, increased first-half turnover from DKr7.34bn (\$1.01bn) to DKr8.49bn and pre-tax profits from DKr67m to DKr151m.

U.S. \$125,000,000

Oil and Natural Gas Commission
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Interest Rate: 8 7/8% per annum
Interest Period: 16th September 1988 to 16th March 1989
Interest Amount per U.S. \$10,000 Note due 16th March 1989: U.S. \$446.22

Credit Suisse First Boston Limited
Agent Bank

CORPORATE SECURITY

The Financial Times proposes to publish this survey on:

22nd November 1988

For a full editorial synopsis and advertisement details, please contact:

Mark Jones
on 01-248 8000 ext 3565

or write to him at:

Bracken House
10 Cannon Street
London
EC4P 4BY

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Christiania Bank og Kreditkasse
(Incorporated in the Kingdom of Norway with limited liability)
U.S. \$100,000,000
Floating Rate Notes Due 1989

Notice is hereby given that the Rate of Interest has been fixed at 11.6875% and that the interest payable on the relevant interest Payment Date March 16, 1989 against Coupon No. 5 in respect of US\$10,000 nominal of the Notes will be US\$587.62 and in respect of US\$100,000 nominal of the Notes will be US\$5,876.22.

September 16, 1988, London
By: Citibank, N.A. (CSI Dept.), Agent Bank

Christiania Bank og Kreditkasse
(Incorporated in the Kingdom of Norway with limited liability)
U.S. \$100,000,000
Bull Floating Rate Notes Due 1991

Notice is hereby given that the Rate of Interest has been fixed at 8.27971% and that the interest payable on the relevant interest Payment Date March 16, 1989 against Coupon No. 6 in respect of U.S. \$10,000 nominal of the Notes will be U.S. \$416.29 and in respect of U.S. \$250,000 nominal of the notes will be U.S. \$1,040.74.

September 16, 1988, London
By: Citibank, N.A. (CSI Dept.), Agent Bank

Europe boost for Procordia drugs side

PROCORDIA, the Swedish state-controlled holding company, is merging its pharmaceutical activities in West Germany and Spain with those of Primmor, the West German family-owned drug group which specialises in intravenous nutrition solutions.

SCIENCE PARKS

The Financial Times proposes to publish this survey on:

28th September, 1988

For a full editorial synopsis and advertisement details, please contact:

Anthony G. Hayes
on 021-454-8922

or write to him at:

Financial Times
George House
George Road
Edgbaston
Birmingham B15 1PG

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

To the Holders of WARRANTS

To subscribe for shares of common stock of

KUMAGAI GUMI CO., LTD.
(the "Company")

of U.S. \$100,000,000
3 3/4% Guaranteed Bonds Due 1993 with Warrants

NOTICE OF FREE DISTRIBUTION OF SHARES AND ADJUSTMENT OF SUBSCRIPTION PRICE

Pursuant to Clause 4(A) of the Instrument dated August 8, 1986 under which the above described Warrants were issued, you are hereby notified that a free distribution of Shares of the Company at the rate of 0.06 share for each one share held will be made to shareholders of record as of September 30, 1988 (Japan Time).

As a result of such distribution, the Subscription Price at which shares are issuable upon exercise of the Warrants will be adjusted pursuant to Condition 7 of the Warrants from 770.60 Japanese Yen to 729.80 Japanese Yen effective as of October 1, 1988.

THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY
as Principal Paying Agent
on behalf of:
KUMAGAI GUMI CO., LTD.

Dated: September 16, 1988

September 16th, 1988

COMMUNAUTÉ URBAINE DE MONTRÉAL

Communauté urbaine de Montréal
(Montreal Urban Community)
(Canada)

US\$150,000,000
Floating Rate Notes due 1991

In accordance with the terms and conditions of the Notes, notice is hereby given that for the six months from September 19th, 1988 to March 20th, 1989 the Notes will bear interest at the rate of 8 1/4% per annum. The interest payable on the relevant interest Payment Date, March 20th, 1989 against Coupon No. 10 will be US\$432.88 per US\$10,000 Nominal.

Agent Bank
ORION ROYAL BANK LIMITED
A member of The Royal Bank of Canada Group

NOTICE TO WARRANTHOLDERS OF SANWA SHUTTER CORPORATION

U.S. \$70,000,000
3 per cent. Guaranteed Bonds Due 1992 with Warrants (the "Warrants 1992") and U.S. \$130,000,000 4 1/2 per cent. Guaranteed Bonds Due 1993 with Warrants (the "Warrants 1993")

Pursuant to Clauses 3 and 4 of the Instrument dated 15th February, 1987, relating to the captioned Warrants, notice is hereby given as follows:

1. On 12th September, 1988, the Board of Directors of SANWA SHUTTER CORPORATION (the "Company") resolved to make a free distribution of Shares of the Common Stock of the Company to the holders of 21st November, 1988, as the date of record of 20th September, 1988, at the rate of 0.113 new share for each share so recorded.

2. Such a free distribution will result in adjustments of the subscription price of the Warrants as follows:

(A) the Warrants 1992
Subscription price before adjustment: Yen 727
Subscription price after adjustment: Yen 725
The new subscription price will become effective on 1st October, 1988, Japan time.

(B) the Warrants 1993
Subscription price before adjustment: Yen 1,251
Subscription price after adjustment: Yen 1,249
The new subscription price will become effective on 1st October 1988, Japan time.

SANWA SHUTTER CORPORATION
By: The Takai Bank, Limited
London Branch
as Principal Paying Agent
16th September, 1988

THE EXHIBITION INDUSTRY

The Financial Times proposes to publish this survey on:

26th September

For a full editorial synopsis and advertisement details, please contact:

SARAH PAKENHAM-WALSH
on 01-248 8000 ext 4611

or write to her at:

Bracken House
10 Cannon Street
London
EC4P 4BY

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

THE FOOD INDUSTRY IN THE YEAR 2000

For further information please contact Pamela Austin at:

Peat Marwick McLintock,
Puddle Dock,
Blackfriars,
London EC4P 3PD
Telephone: 01-236 8000

Friday 18th November

Peat Marwick McLintock

SEOUL OLYMPIC SPORTS PRICES ON REUTERS

GAME

SSP OVERSEAS BETTING

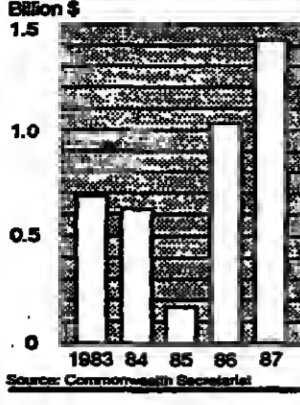
INTERNATIONAL CAPITAL MARKETS AND COMPANIES

India to boost overseas funding

K.K. Sharma on the sub-continent's rising foreign exchange needs

India expects to increase borrowings from international markets by as much as 25 per cent in the current year...

Indian international medium & long-term bank loans



although commercial borrowings will be made to finance development projects, they will add to the foreign exchange reserves and ease the strain on the balance of payments.

Neither officials nor private sector bankers see the rise in commercial borrowings as cause for alarm, however. As one banker pointed out: "Even the World Bank feels India is under-borrowing."

wants to avoid falling into a debt trap which has bedeviled many other developing countries in Africa and Latin America.

Officials believe that commercial borrowings can be increased provided India's debt service ratio is kept at a safe level. It is debatable what level that can be deemed prudent.

Recent loans negotiated for India companies and financial institutions in Japan and Europe have been obtained at around a percentage point above London interbank offered rates.

Two houses to re-enter equity warrants sector

By Our Euromarkets Staff MERRILL LYNCH and Kleinwort Benson are preparing to become market makers in equity warrants...

The number of market makers - firms which quote two-way prices to other firms - has dwindled to nine from about 25 just over a year ago...

Weak oil price maintains demand for dollar issues

By Our Euromarkets Staff

FALLING OIL prices and subdued retail sales data gave the markets enough of a psychological boost to prompt underwriters to launch several dollar-denominated Eurobonds yesterday.

But data showing that capacity utilisation at US factories and mines in August, at 83.7 per cent, was sufficient to undo any gains that might have accrued to bond prices.

The number of market makers - firms which quote two-way prices to other firms - has dwindled to nine from about 25 just over a year ago...

bringing a \$100m five-year issue for Northern Telecom, the Canadian telephone company that is 53 per cent owned by Bell Canada.

The bonds, which carry a AA-3/A+ credit rating, carry a coupon of 2 3/4 per cent and were priced at 101 3/4 to yield 63 basis points over Treasuries at launch.

But data showing that capacity utilisation at US factories and mines in August, at 83.7 per cent, was sufficient to undo any gains that might have accrued to bond prices.

considered aggressive given the credit rating and name of the borrower, the Norwegian state-owned oil company, issued a seven-year \$200m Eurobond via Credit Suisse First Boston.

The issue has a 9 per cent coupon and was priced at 101 3/4 to yield 73 basis points over Treasuries. It describes the lack of a credit rating and falling prices for North Sea oil.

Meanwhile, yesterday's two dollar Eurobonds, the Export Credit and General Motors Acceptance Corporation, sank well outside their 1% fees to close at less than 2.05 per cent.

Italy's Credit Italiano closed mostly unchanged to a touch higher in moderate turnover. Triaktans & Burkhardt issued a DM75m five-year Eurobond bearing a 6 per cent coupon and priced at 101 1/4.

Credit Italiano's London branch issued a 10bn 10-year issue. The 7.8 per cent coupon is payable in Australian dollars.

Shearson to form unit in Singapore. SHEARSON LEHMAN Hutton, the US securities house, is setting up a unit to deal in international bonds in Singapore.

Improvement in MTRC's commercial paper rating

By Michael Murray in Hong Kong HONG KONG'S Mass Transit Railway Corporation (MTRC) yesterday announced that its short-term commercial paper (CP) programmes have been assigned an A1+ rating by Standard and Poor's...

Norwegian option trading laws meet further delay

By Our Financial Staff NORWAY'S Finance Ministry said yesterday that its law on options trading, which initially had been expected to clear parliament in the spring this year, was still not ready.

Mr Ekeberg said the law on options was being given high parliamentary priority. The ministry presented a framework for options trading in March which, if approved, would allow more than one clearing house, but confine trading to the Oslo bourse.

FT INTERNATIONAL BOND SERVICE

Table listing international bonds with columns for Issuer, Amount, Maturity, Offer, Day, Week, Yield, and Closing prices on September 15.

CANDOVER INVESTMENTS plc advertisement. The Leaders in Management Buy-outs. CONTINUING ASSET & PROFIT GROWTH. For the half year ended June 30, 1988. Recent Management Buy-outs completed: United Kingdom, West Germany, USA.

Longer hours for Traded Options Market

By Donald Maclean THE London Traded Options Market is to extend its opening hours from November 1, to bring its closing time into line with that on the London International Financial Futures Exchange.

Table listing convertible bonds with columns for Issuer, Amount, Maturity, Offer, Day, Week, Yield, and Closing prices on September 15.

INTERNATIONAL COMPANIES AND FINANCE

Vodafone sale prospectus lifts Racal shares by 9p

By Terry Dodsworth, Industrial Editor, in London

SHARES in Racal, the UK electronics group, rose strongly yesterday following publication of a draft prospectus for the sale of its mobile telecommunications subsidiary which values the division at between £1.35bn (£2.6bn) and £1.85bn.

The support for the shares, which rose by 9p to 310p, in heavy trading, was widely seen in the City as an encouraging sign for the planned flotation next month. It follows significant increases earlier in the week from the Monday morning surprise of 20p.

Sir Ernest Harrison, the group's chairman, described the proposed sale as the "most exciting event in the history of Racal". He brushed aside reports that recent weaknesses in the stock market might frustrate the offer.

The issue, he said, had been priced "very conservatively" and the company was receiving substantial support from the institutions.

Racal is proposing to sell just 20 per cent of its Vodafone subsidiary, one of the two licensed operators of cellular car telephone networks in the UK. This has excited widespread interest in Europe and the US because it is the first time that a non-American mobile telephone operating company has floated shares on the market.

The main points of the Racal offer include:

- Approximately 200m ordinary shares will be offered, with 150m set aside for existing shareholders in the UK, and 50m for investors in the US and Europe. There will also be a UK public offer of approximately 14m shares, to be provided by shares not taken up in the main UK shareholder or international offers.
- The offer price will be in the range of 155p to 185p per share. This puts the company on a prospective price-earnings ratio of between 27.5 and 33.2 based on forecast earnings per

share of 5.57p for the year ending March 1988. Some analysts forecast pre-tax profits of about £200m in the following year, which would put the shares on a multiple of about 20.

- Pre-tax profit is forecast at 27m in the current year to March.
- Vodafone will be re-capitalised and floated on the Stock Market debt-free.
- Sir Ernest also dismissed suggestions that Racal would be forced to reshape the offer if it went ahead at the lowest proposed price. At this level, it would raise only £310m, less than the £360m which the Stock Exchange has said it would like to see the issue generate.
- However, Sir Ernest, who insisted that Racal would not like to dilute its own stake by issuing more than the proposed 20 per cent in Vodafone, said that these problems could be sorted out if necessary in discussions.

Lex, Page 22

BTR sees profits surge 31% to \$368m and issues warrants

By Clay Harris in London

BTR, the UK-based industrial conglomerate, increased pre-tax profits by 31 per cent to \$266m (\$627m) and its earnings per share and interim dividend by 26 per cent in the six months to June 30. The strong results and a free issue of warrants lifted BTR's price 10p to 283p yesterday.

BTR's results showed underlying growth of 10 per cent in sales and 20 per cent in trading profits, excluding the effect of acquisitions, but the warrants nearly stole the show yesterday, in part because of their novelty.

The warrants, the issue of which is unusual for a UK company the size of BTR, allow holders to subscribe for shares at 285p at certain periods in 1992 and 1993. BTR shareholders will receive one warrant for every 30 shares held.

Sir Owen Green, chairman, said BTR was likely to continue to issue warrants in this way until it reached the limit of 10 per cent of issued capital

imposed by the Companies Act. The warrants would act as a "rolling rights issue," raising capital over several years without depressing the share price or diluting the interest of existing shareholders.

The warrants were also intended to encourage shareholder loyalty, Sir Owen said, and would create a new non-equity instrument with a longer life than existing traded options.

BTR's return on sales at the trading level rose from 14.5 per cent to 15.5 per cent.

ACI International, the Australian industrial group acquired by BTR Nyx subsidiary in March, contributed \$38m to trading profits, lifting the total from the East to \$127m (\$62m).

The strength of the Australian dollar largely offset the weakness of the US currency, so the net impact of exchange-rate movements was small, BTR said.

Lex, Page 22

Welsh brewer in share dealings

By Nikki Tait in London

BUCKLEY'S BREWERY, the small Welsh brewery previously controlled by Mr Peter Clowes - head of the failed Barlow Clowes empire - and his business colleague, Mr Guy Cramer, moved into share-dealing shortly after the duo took control of the company.

The new subsidiary, Buckley's Securities, contributed to a move by the brewery into losses in the nine-month period to end December, according to the annual accounts. It was set up after the pair won a £29.2m (\$38.9m) cash bid for Buckley's in early October 1987.

The accounts, published yesterday, and containing delayed results for 1987, show that the company overall made a pre-tax loss of £763,000 in the nine months, compared with a £1.13m profit in the previous 12 months. The share dealing subsidiary contributed a pre-tax loss of £183,000 after a £198,000 provision in relation to the value of the securities at the end of December. Since then, however, the provision has been reduced and the net loss is likely to be about half this figure.

Buckley's Securities is believed to have bought various equities - largely alpha stocks - after the October crash, with a maximum portfolio value of around £1.4m. The subsidiary is thought to have been financed by inter-company loans.

Mr Michael Willcocks, Buckley's chairman and managing director, declined to say whether the move had full board approval. Mr Cramer, who like Mr Clowes and two other colleagues resigned from the Buckley's board earlier this summer, was unavailable for comment.

Notes to the accounts disclose other unusual features. Among "other debtors" is a £272,989 loan owed by Bracken Nominees, another company connected with Mr Cramer. This has since been repaid.

The pre-tax figure is also skewed after a £1m exceptional item. Of this £268,000 related to compensation payments to former directors who left in the wake of the Clowes/Cramer arrival. Another £479,000 write-off occurs on a hotel complex purchased in 1986, and a further £100,000 on a property in Bradford bought last November. Costs on a wine bar project cost another £106,000.

Operating profit from the core beer and public house business, however, were \$471,000 (£1.17m in the 12 months), on sales of \$8.53m (\$9.73m). On the balance sheet side, borrowings at the year-end rose to £7.3m, although a series of small acquisitions since then have led to further cash outlays of around £3m. Listed investments were valued at £1.1m. Net assets are put at £18.3m.

A final complication is that the appointment of Sir Alun Talfan Davies as chairman, after the ownership change, was found technically invalid. Other board appointments have now been made, Sir Alun continues as an adviser and Mr Willcocks is the chairman.

The 53 per cent stake bought by Mr Clowes and Mr Cramer has already come under the control of merchant bank Singer & Friedlander, which plans to auction the interest.

Shares in Buckley's will return from suspension today.

Thomson deal referred

By David Churchill in London

THOMSON Travel's \$75m (\$127m) acquisition of rival British holiday group Horizon Holidays from the UK brewer Bass last month is to be referred to the Monopolies and Mergers Commission.

This followed a recommendation from the Office of Fair Trading that the merger posed competition issues which needed to be investigated by the commission.

The commission has been asked to determine whether

the merger is in the public interest within three months.

If it decides that the deal is against the public interest, Thomson could be forced to sell Horizon to another bidder, since it bought the company unconditionally from Bass.

The referral has cast a shadow over Horizon's attempt to capture a share of the early booking market for next summer's package holidays since the travel trade is now uncertain about Horizon's future.

HEAD FOR HAMPSHIRE - A STEP IN THE RIGHT DIRECTION

"More office for your money" - when you step up to a new administrative centre in South Hampshire. Ask the Hampshire Development Association for a copy of the independent study by Coopers & Lybrand Associates on South Hampshire which reports that "property costs in South Hampshire are considerably lower than those current in central London or the Thames Valley."

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HAMPSHIRE DEVELOPMENT ASSOCIATION

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Incredible odds. More than every third ticket a sure winner. Our total payout is more than

206 Million D-Mark
equivalent to about 114 Million U.S. Dollars. Imagine, with every ticket you buy you participate in 27 weekly draws. You have 27 chances of becoming a

Millionaire overnight. We have made many Millionaires.

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Please fill in the number of tickets you want to order:

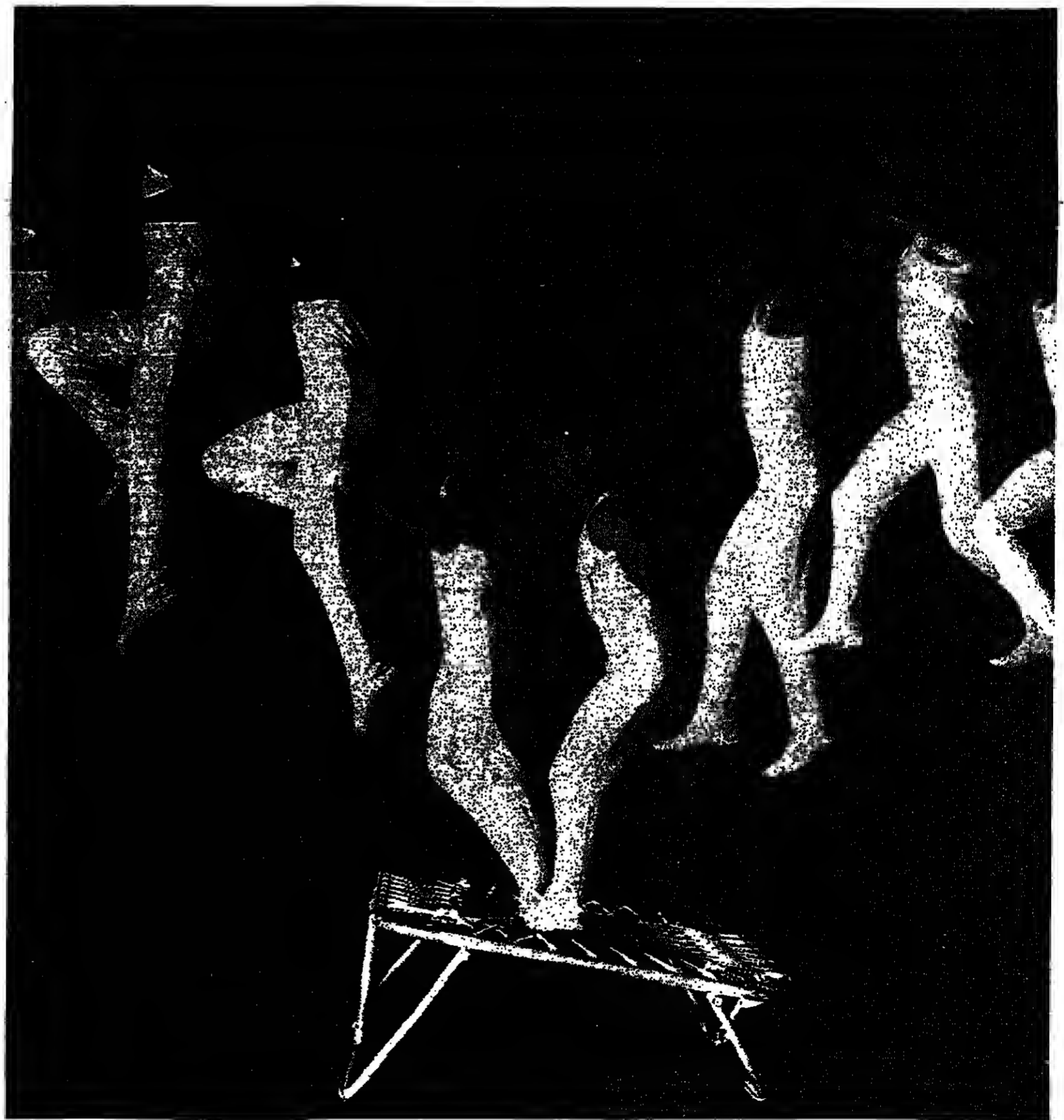
1/1 ticket(s) £ 258 - or US \$ 438 - or DM 744 - each
1/2 ticket(s) £ 135 - or US \$ 226 - or DM 384 - each
1/4 ticket(s) £ 71 - or US \$ 121 - or DM 204 - each

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UK COMPANY NEWS

Bids invited as Lowndes Queensway moves to sell Hamleys

LOWNDES QUEENSWAY, retailing group, is putting Hamleys of Regent Street, the well-known toy shop, up for sale, writes Philip Coggan.

Inter-Continental

The deadline has now closed for bids for Grand Metropolitan's Inter-Continental hotel chain, writes Lisa Wood.

Mrs Fields in talks

The fortunes of Mrs Fields appeared poised to take another turn yesterday, when the US cookie manufacturer and retailer announced it was in talks which might lead to a minority interest being taken in the group by a non-US company or companies, writes Andrew Hill.

Mecca egm bid vote

Proposals for the £640m bid for Pleasurama were overwhelmingly approved at an extraordinary general meeting of shareholders in Mecca Leisure.

Spirits remain main earner in slightly better-than-expected figures

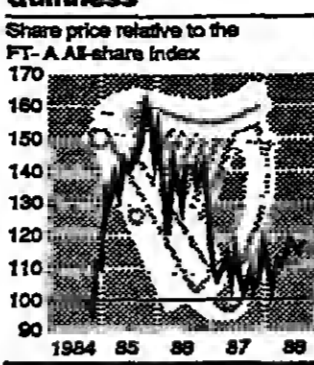
Guinness moves up 21% to £183m

By Lisa Wood

GUINNESS, the stout and spirits group, yesterday reported pre-tax profits of £183m for the six months to June 30, an increase of 21 per cent on the previous £151m.

Sales of spirits, which include the Johnnie Walker whisky and Gordon's gin brands, made up 68 per cent of the £1.22bn turnover. Brewing accounted for 36 per cent. Last year's turnover of £1.3bn included contributions from several businesses - such as Martins The Newsagent - which have since been sold.

Guinness

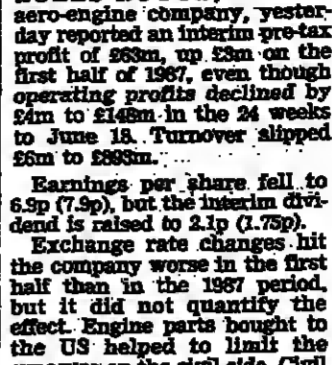


Share price relative to the FT-A All-Share Index. 1984 85 86 87 88. Last August with LVMEH - the first of several set up between Guinness and the French group. In August Guinness and Financiere Agache, the French retailing and fashion group, announced they had a 77 per cent joint stake in LVMEH.

Guinness said trading in France, Germany, south-east Asia and Japan had been influenced by new distribution arrangements - which provoked restructuring and reorganisations - and it expected to see the benefits of these changes in the future.

Rolls-Royce edges ahead to £63m and order book is strong

Rolls-Royce



ROLLS-ROYCE, the aero-engine company, yesterday reported an interim pre-tax profit of £63m, up £2m on the first half of 1987, even though operating profits declined by £2m to £48m in the 24 weeks to June 18. Turnover slipped £2m to £863m.

Rolls-Royce

Share price relative to FT-A All-Share Index. 1984 85 86 87 88. net payments of £8m in the 1987 period. The tax charge was unchanged at £2m.

At the end of the period, order books stood at £2.4bn against the end-1987 total of £2.8bn. Other military orders have come in subsequently.

High metal prices lift RTZ

By Kenneth Gooding, Mining Correspondent

SOARING METAL prices helped RTZ Corporation, natural resources and industrial group, boost net profit by 77 per cent to £199m in the first half of 1988.

Earnings per share also increased by 77 per cent to 25.6p and the interim dividend by 33 per cent to 4.25p.

Australian disposal by Royal Life

By Eric Short

ROYAL LIFE Holdings, the life and financial services arm of Royal Insurance, is selling its Australian life operation to Battery Group for A\$35m.

Charterhall plans rights issue to raise £9m

By Ray Basford

CHARTERHALL, the investment company headed by Australian Mr Russell Goward, is making a one-for-five rights issue to raise £9m.

Morgan Crucible in US expansion

By Ray Basford

MORGAN CRUCIBLE, the industrial materials and electronics group, has moved further into the US through the acquisition of General Optronics for \$7.2m (A\$3m).

Perry accelerates 47% to £3.75m

By Fiona Thompson

PERRY GROUP, motor dealer, increased pre-tax profits by 47 per cent to £3.75m for the six months to June 30 1988. Sales were up 56 per cent at £154.2m. Earnings per share rose from 8.7p to 12.9p.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date of payment, Corres. - pending dividend, Total for year, Total last year. Includes companies like Assoc Brit Ports, Belwinch, Biff & Common, etc.

BOARD MEETINGS

Table with columns: Company Name, Date. Includes companies like Addax, Ashby (Leam), B&S, etc.

Perry accelerates 47% to £3.75m

By Fiona Thompson

PERRY GROUP, motor dealer, increased pre-tax profits by 47 per cent to £3.75m for the six months to June 30 1988. Sales were up 56 per cent at £154.2m. Earnings per share rose from 8.7p to 12.9p.

respect of assets under lease. Tax took £1.38m (£960,000). An interim dividend of 2.75p (2p) was declared.

of the world's largest independent producers of semiconductor lasers.

of the world's largest independent producers of semiconductor lasers.

Large advertisement for Minet insurance brokers. Features a black and white photograph of a high jumper in mid-air. Text includes 'Minet Lloyd's and International Insurance Brokers', 'GO... GO... GO...', and 'Seoul. Now the striving to get there is over - and the striving to win begins.'

Granada selling part of ER

By Philip Coggan

GRANADA GROUP is selling part of the business it acquired in last year's £250m takeover of Electronic Rentals.

Australian offshoot leads Tyndall rise

By Andrew Hill

TYNDALL HOLDINGS, international financial services group, made pre-tax profits of £7.02m in the six months to June 30, including the first half-year contribution from Clayton Robert, the Australian financial services group of which Tyndall owns 62 per cent.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling steady on mixed data

Sterling was unaffected by yesterday's batch of economic data, and finished little changed on the day against most leading currencies.

The pound drew support from higher interest rates, the letter moving defensively firmer ahead of today's release of August retail prices.

Evidence that the UK economy is still growing strongly, despite the steady rise in interest rates, led some traders to suggest that a further rise in base rates was likely - sooner rather than later.

The pound drew support from higher interest rates, the letter moving defensively firmer ahead of today's release of August retail prices.

SFR2.65 and FF10.7050 compared with FF10.7025.

The dollar finished little changed on the day against most leading currencies.

The dollar closed at DM3.1500, unchanged from the opening on Wednesday.

DM1.8745, down from DM1.8790 and Y134.60 compared with Y134.60.

Elsewhere it finished at SFR1.5800 from SFR1.5835 and FF6.3725 compared with FF6.3900.

On Bank of England figures, the dollar's exchange rate index was unchanged at 89.6.

The D-Mark continued to lose ground against the yen. Having slipped below Y72.00 on Wednesday, the D-Mark was trading at Y71.27 compared with Y71.63 at the previous close.

FINANCIAL FUTURES

Prices slip on inflation fears

STERLING BASED contracts lost ground in yesterday's Liffe market, as investors showed their concern at a disturbing rise in average earnings.

Long gilt prices also finished on a weaker note. The December price finished at the day's low of 87.54.

US Treasury bond prices showed a small improvement, helped by an unexpected decline in US retail sales in August.

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However, the extent of the rise was restricted by selling at the higher levels, and after touching a peak of 89.02, the December contract finished at 88.21, still up from 88.15 at the opening, and Wednesday's close of 88.19.

US Treasury bond prices showed a small improvement, helped by an unexpected decline in US retail sales in August.

However, the extent of the rise was restricted by selling at the higher levels, and after touching a peak of 89.02, the December contract finished at 88.21, still up from 88.15 at the opening, and Wednesday's close of 88.19.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol, Last, Val, Last, Vol, Last, Stock. Includes data for GOLD C, SILVER C, and various European indices.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing currency unit rates for various European countries including Belgium, France, Germany, Italy, Netherlands, etc.

£ IN NEW YORK

Table showing exchange rates for various currencies against the pound sterling in New York.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing spot and forward rates for the pound against various currencies.

STERLING INDEX

Table showing the Sterling Index for various currencies.

CURRENCY RATES

Table showing current currency rates for various countries.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing spot and forward rates for the dollar against various currencies.

LONDON (LIFFE)

Table showing Liffe market data for various futures contracts.

CHICAGO

Table showing Chicago market data for various futures contracts.

AMSTERDAM (EUREX)

Table showing Amsterdams Eurex market data for various futures contracts.

TOTAL VOLUME IN CONTRACTS: 34,147

Table showing total volume in contracts for various futures contracts.

BASE LENDING RATES

Table showing base lending rates for various banks and institutions.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

THREE MONTH EURO-DOLLAR

Table showing three-month Euro-dollar rates.

US TREASURY BONDS 3%

Table showing US Treasury bond rates for 3% contracts.

US TREASURY BONDS 5%

Table showing US Treasury bond rates for 5% contracts.

STANDARD & POORS 500 INDEX

Table showing Standard & Poors 500 Index data.

OTHER CURRENCIES

Table showing rates for other currencies like Argentina, Brazil, etc.

CURRENCY CROSS RATES

Table showing cross rates between various currencies.

THREE MONTH EURO-DOLLAR

Table showing three-month Euro-dollar rates.

US TREASURY BONDS 3%

Table showing US Treasury bond rates for 3% contracts.

US TREASURY BONDS 5%

Table showing US Treasury bond rates for 5% contracts.

STANDARD & POORS 500 INDEX

Table showing Standard & Poors 500 Index data.

MONEY MARKETS

UK rates firmer in nervous trade

INTEREST RATES established on a firmer note in London yesterday, as traders showed their concern ahead of today's release of August inflation figures.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates.

MONEY RATES

Table showing money rates for various currencies.

NEW YORK

Table showing money rates in New York.

LONDON MONEY RATES

Table showing London money rates.

NEW YORK

Table showing money rates in New York.

Consolidated unaudited results for the half year ended 30 July 1988

Table showing consolidated unaudited results for the half year ended 30 July 1988.

UK clearing business leading rate

one-year rate moved up to 12.12% p.c. compared with 12.13% p.c. overnight funds were also more expensive, as the market faced an unexpected large shortage of liquidity.

INTEREST RATES

The forecast was revised to a shortage of around \$400m, and the Bank's assistance in the morning of \$220m, comprising outright purchases of \$20m of local authority bills and \$200m of eligible bank bills, all in band 4 at 11.5% p.c.

LONDON MONEY RATES

Table showing London money rates.

NEW YORK

Table showing money rates in New York.

LONDON MONEY RATES

Table showing London money rates.

Profit sharing

Allocation between retentions and profit sharing is determined when the full year are known. Preference dividends for the half year were £109,000 (£109,000).

For further details of the results and/or the John Lewis Partnership please telephone 01-637 3434 Ext 6221.

John Lewis Partnership plc Department stores and Waitrose supermarkets Consolidated unaudited results for the half year ended 30 July 1988. Includes financial summary and profit sharing details.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

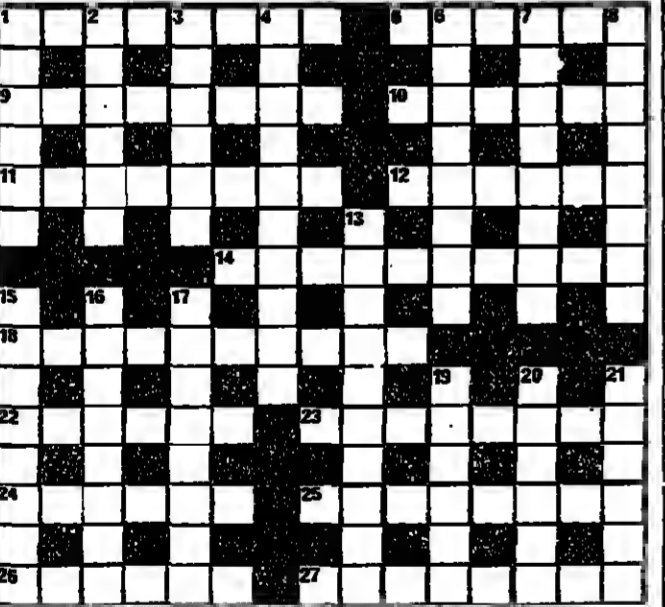
Table listing various unit trusts such as Abbey Unit Trust, Aegis Unit Trust, AEM Unit Trust, and others, including their names, managers, and performance metrics.

Table listing various unit trusts such as AEGIS Unit Trust, AEGIS Unit Trust, AEGIS Unit Trust, and others, including their names, managers, and performance metrics.

I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/3699. Reuters Code: IGIN, IGI0.

CROSSWORD

No. 6735 Set by GRIFFIN



- ACROSS
1 Overlooking insolence during trip to Gateshead (6)
5 First Christmas present box (6)
9 Home with Heather, snuggling close (6)
10 Hotel in group backing court activity? (6)
11 Inscriptions of mine in an unusual shape (8)
12 Weak company after National Insurance returns (8)
14 For a pound get back number with everything included (10)
18 Colin acted as a westerner (10)
22 Criticise attempt by food store (6)
23 To cover retirement get in shape, working hard (8)
24 Skilful with pen goes to first enquiry clerk (6)
25 Region I'd back without exception (6)
26 Writer missing point about love for disorderly person (6)
27 Where Ray hires transport (6)
DOWN
1 Possibly resign as an entertainer (6)
2 When he's up to the student to drop in (6)
3 Supporter last during April revolution (6)

Solution to Puzzle No.6734
UNIFORM SLEEP
PINE LEAVES
GLADIATOR NADIR
TITUS SPAULLETTE
BURNISHED SQUAT
REBEL HORSESHOE
DUSTY WORM
DUSKWOOD AROMA
LIFEBOAT
ELIENS THERIAV

GUIDE TO UNIT TRUST PRICING

The data included under the Authorised section of the FT Unit Trust Information Service is being expanded to improve the service to readers and to conform with new legislation. These provisions the marketing, administrative and other costs which have to be paid by the OFFER PRICES. The price at which units may be bought. The price at which units may be sold. The maximum spread between the offer and bid price is determined by a formula laid down by the government. In practice, unit trust managers quote a much narrower spread. As a result, the bid price is often set well above the minimum permissible price which is called the minimum bid price in the table. However, the bid price might be moved on the cancellation price, circumstances in which there is a large volume of sales of units only.

Handwritten note: "Unit Trusts" in Arabic script.

FT UNIT TRUST INFORMATION SERVICE

Handwritten note: "Joshi, Lito"

Main table containing financial data for various unit trusts, including columns for Name, Price, and Yield. The table is organized into sections such as 'INSURANCES' and 'OTHER UK UNIT TRUSTS'.

INSURANCES

Detailed table listing insurance-related unit trusts, including names like 'AA Friendly Society', 'Abney Life Assurance Co Ltd', and 'British National Financial Services'. It includes columns for Name, Price, and Yield.

OTHER UK UNIT TRUSTS

Table listing other UK unit trusts, including names like 'Baillie Gifford & Co Ltd', 'Cent. of Fin. of Church of England', and 'Chester Official Invest. Fund'. It includes columns for Name, Price, and Yield.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'MANAGEMENT SERVICES', 'OFFSHORE AND OVERSEAS', and 'UK LISTED'.

Handwritten note in Arabic script: "معلوماتنا الأصل"

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts, their managers, and performance metrics.

LONDON SHARE SERVICE

Table of London Share Service listing British Funds, Foreign Bonds & Rails, and American stocks.

OTHER OFFSHORE FUNDS

Table of Other Offshore Funds listing various international investment vehicles.

Money Market Trust Funds

Table of Money Market Trust Funds listing various short-term investment options.

Money Market Bank Accounts

Table of Money Market Bank Accounts listing various high-interest savings options.

UNIT TRUST NOTES: Detailed notes regarding unit trust regulations, taxation, and investor responsibilities.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American stocks with columns for Stock, Price, and % change.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, and % change.

BANKS, HP & LEASING

Table listing bank and leasing stocks with columns for Stock, Price, and % change.

Hire Purchase, Leasing, etc.

Table listing hire purchase and leasing stocks with columns for Stock, Price, and % change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit stocks with columns for Stock, Price, and % change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for Stock, Price, and % change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for Stock, Price, and % change.

CHEMICALS, PLASTICS

Table listing chemical and plastic stocks with columns for Stock, Price, and % change.

DRAPEY AND STORES

Table listing drapery and store stocks with columns for Stock, Price, and % change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for Stock, Price, and % change.

ELECTRICALS

Table listing electrical stocks with columns for Stock, Price, and % change.

ENGINEERING - Contd

Table listing engineering stocks with columns for Stock, Price, and % change.

ENGINEERING

Table listing engineering stocks with columns for Stock, Price, and % change.

ENGINEERING - Contd

Table listing engineering stocks with columns for Stock, Price, and % change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for Stock, Price, and % change.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for Stock, Price, and % change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for Stock, Price, and % change.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for Stock, Price, and % change.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for Stock, Price, and % change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for Stock, Price, and % change.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for Stock, Price, and % change.

INSURANCES

Table listing insurance stocks with columns for Stock, Price, and % change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for Stock, Price, and % change.

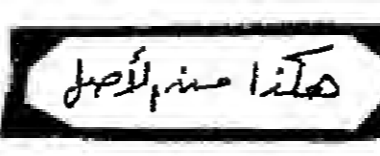
INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for Stock, Price, and % change.

LEISURE

Table listing leisure stocks with columns for Stock, Price, and % change.

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LONDON SHARE SERVICE

LEISURE - Contd

Table of share prices for Leisure sector, including companies like Leisure Group, Leisure Leisure, and Leisure Leisure.

PROPERTY

Table of share prices for Property sector, including companies like Property Group, Property Group, and Property Group.

TEXTILES - Contd

Table of share prices for Textiles sector, including companies like Textiles Group, Textiles Group, and Textiles Group.

TRUSTS, FINANCE, LAND - Contd

Table of share prices for Trusts, Finance, and Land sector, including companies like Finance Group, Finance Group, and Finance Group.

OIL AND GAS - Contd

Table of share prices for Oil and Gas sector, including companies like Oil Group, Oil Group, and Oil Group.

MINES - Contd

Table of share prices for Mines sector, including companies like Mines Group, Mines Group, and Mines Group.

MOTORS, AIRCRAFT TRADES

Table of share prices for Motors and Aircraft Trades sector, including companies like Motors Group, Motors Group, and Motors Group.

Commercial Vehicles

Table of share prices for Commercial Vehicles sector, including companies like Commercial Vehicles Group, Commercial Vehicles Group, and Commercial Vehicles Group.

Components

Table of share prices for Components sector, including companies like Components Group, Components Group, and Components Group.

Garages and Distributors

Table of share prices for Garages and Distributors sector, including companies like Garages and Distributors Group, Garages and Distributors Group, and Garages and Distributors Group.

NEWSPAPERS, PUBLISHERS

Table of share prices for Newspapers and Publishers sector, including companies like Newspapers and Publishers Group, Newspapers and Publishers Group, and Newspapers and Publishers Group.

PAPER, PRINTING, ADVERTISING

Table of share prices for Paper, Printing, and Advertising sector, including companies like Paper, Printing, and Advertising Group, Paper, Printing, and Advertising Group, and Paper, Printing, and Advertising Group.

TOBACCOS

Table of share prices for Tobaccos sector, including companies like Tobaccos Group, Tobaccos Group, and Tobaccos Group.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, and Land sector, including companies like Finance Group, Finance Group, and Finance Group.

Investment Trusts

Table of share prices for Investment Trusts sector, including companies like Investment Trusts Group, Investment Trusts Group, and Investment Trusts Group.

Finance, Land, etc

Table of share prices for Finance, Land, etc sector, including companies like Finance Group, Finance Group, and Finance Group.

Finance, Land, etc

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TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, and Land sector, including companies like Finance Group, Finance Group, and Finance Group.

Finance, Land, etc

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TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, and Land sector, including companies like Finance Group, Finance Group, and Finance Group.

Finance, Land, etc

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Finance, Land, etc

Table of share prices for Finance, Land, etc sector, including companies like Finance Group, Finance Group, and Finance Group.

PLANTATIONS

Table of share prices for Plantations sector, including companies like Plantations Group, Plantations Group, and Plantations Group.

TESTS

Table of share prices for Tests sector, including companies like Tests Group, Tests Group, and Tests Group.

MINES

Table of share prices for Mines sector, including companies like Mines Group, Mines Group, and Mines Group.

Central Rand

Table of share prices for Central Rand sector, including companies like Central Rand Group, Central Rand Group, and Central Rand Group.

Eastern Rand

Table of share prices for Eastern Rand sector, including companies like Eastern Rand Group, Eastern Rand Group, and Eastern Rand Group.

Far West Rand

Table of share prices for Far West Rand sector, including companies like Far West Rand Group, Far West Rand Group, and Far West Rand Group.

O.F.S.

Table of share prices for O.F.S. sector, including companies like O.F.S. Group, O.F.S. Group, and O.F.S. Group.

Diamond and Platinum

Table of share prices for Diamond and Platinum sector, including companies like Diamond and Platinum Group, Diamond and Platinum Group, and Diamond and Platinum Group.

Central Africa

Table of share prices for Central Africa sector, including companies like Central Africa Group, Central Africa Group, and Central Africa Group.

Finance

Table of share prices for Finance sector, including companies like Finance Group, Finance Group, and Finance Group.

Oil and Gas

Table of share prices for Oil and Gas sector, including companies like Oil and Gas Group, Oil and Gas Group, and Oil and Gas Group.

Australians

Table of share prices for Australians sector, including companies like Australians Group, Australians Group, and Australians Group.

THIRD MARKET

Table of share prices for Third Market sector, including companies like Third Market Group, Third Market Group, and Third Market Group.

MISCELLANEOUS

Table of share prices for Miscellaneous sector, including companies like Miscellaneous Group, Miscellaneous Group, and Miscellaneous Group.

NOTES

Stock Exchange listing classifications are indicated to the right of the security names. A listing in italics indicates that the security is not listed on the Stock Exchange and is not subject to the same degree of regulation as listed securities.

REGIONAL & IRISH STOCKS

Table of share prices for Regional and Irish Stocks, including companies like Regional Group, Regional Group, and Irish Group, Irish Group.

TRADITIONAL OPTIONS

Table of share prices for Traditional Options, including companies like Traditional Options Group, Traditional Options Group, and Traditional Options Group.

Property

Table of share prices for Property sector, including companies like Property Group, Property Group, and Property Group.

Oils

Table of share prices for Oils sector, including companies like Oils Group, Oils Group, and Oils Group.

Mines

Table of share prices for Mines sector, including companies like Mines Group, Mines Group, and Mines Group.

This service is available to every company dealt in on the Stock Exchange throughout the United Kingdom for a fee of £340 per annum for each security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Thursday September 15 1988, and Year ago (approx). Rows include Building Materials, Contracting, Electronics, Mechanical Engineering, etc.

Table with columns: PRICE INDICES, Thu Sep 15, Day's Change, and Year ago (approx). Rows include British Government, 5 years, 15 years, etc.

RISES AND FALLS YESTERDAY

Table showing Rises and Falls Yesterday for British Funds, Corporations, and Financial and Properties.

LONDON RECENT ISSUES

Table showing London Recent Issues with columns for Issue No., Price, and Date.

FIXED INTEREST STOCKS

Table showing Fixed Interest Stocks with columns for Issue No., Amount, and Date.

RIGHTS OFFERS

Table showing Rights Offers with columns for Issue No., Amount, and Date.

TRADITIONAL OPTIONS

Table showing Traditional Options with columns for Issue No., Amount, and Date.

LONDON TRADED OPTIONS

Large table showing London Traded Options with columns for Option, Calls, and Puts.

NOTICE 1 To the Holders of FUJI HEAVY INDUSTRIES LTD. U.S. \$50,000,000 3% Convertible Bonds 2000. Includes details on conversion and interest.

To the Holders of KUMAGAI GUMI CO., LTD. U.S. \$30,000,000 6 1/2% Convertible Bonds 1997. Includes details on conversion and interest.

ALTA BERKELEY ASSOCIATES LONDON BOSTON SAN FRANCISCO. Includes advertisements for Meditec GmbH, Aesculap-Werke AG, and others.

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LONDON STOCK EXCHANGE

Shares below best but oils advance

A wealth of economic numbers from both sides of the Atlantic, another day of tenses leading in the oil share sector, an inflation warning from the Chancellor of the Exchequer and another increase in turnover led to an exciting session in London.

bonds, meanwhile, slipped back with the notable exception of index-linked issues. The warning by Mr Nigel Lawson, the Chancellor of the Exchequer, that there will be a "sharp rise in recorded inflation over coming months", reflecting the impact of higher interest rates on mortgage payments, caused an initial bout of unease throughout gilts and equities.

Analysts are forecasting that today's retail prices index could well show an annual increase of not far short of 6 per cent. And market observers were also uneasy following the release of the latest UK economic data which showed underlying average earnings up 9 per cent and productivity up around 8 per cent.

US, including retail sales, was described as heartening but failed to influence Wall Street during initial dealings. Wall Street's early reluctance to advance too far in excess of the 2,100 level on the Dow Jones average was said to have taken the shine off London's equity sector but traders welcomed the latest increase in activity from the dreadful levels recorded at the start of the week.

the LASMO/Enterprise/British Gas saga. Turnover in both classes of BP improved significantly ahead of news, expected soon, of the result of the Moonopolis & Mergers Commission inquiry into the Kuwait Investment Office stake in BP.

FINANCIAL TIMES STOCK INDICES

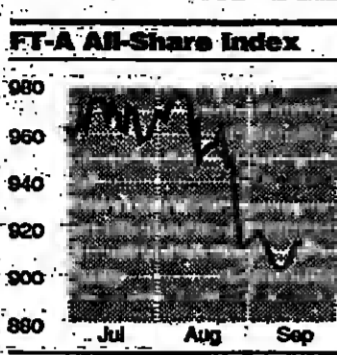
Table with columns for indices (Government Secs, Fixed Interest, Ordinary, Gold Mines, etc.) and their values for Sep 15, Sep 14, Sep 13, Sep 12, Sep 9, Sep 8, and 1988 High/Low.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume for various stocks including Anglo, BHP, BP, British Airways, etc., with columns for Volume, Price, and % Change.

Shell joins sector spree

Shell Transport shares attracted inquiries which marketmakers described as "most unusual" following the Royal Dutch/Shell group interim dividend and stock split/share scrip announcements. Volume surged to 3.6m as the price jumped 2 1/2 to 101 1/2.



gain was fuelled by rumours that Mecca might be about to launch a cash alternative to its original paper bid. Mr Jeremy Long, group finance director of Mecca, said he was unable to comment on these rumours, but added: "We are delighted by our shareholders' endorsement and I hope the market will now focus once again on our bid."

1988 pre-tax forecast by \$2m to \$15m. Over the longer term, however, HCG remains positive and is raising its estimate for 1989 from \$18m to \$20m.

to remain loyal until the exercise period starting in 1992. London International Group announced a worse than expected trading outlook and saw its shares tumble 20% to 199 1/2.

Merchant banks caught the attention in busy trading as a US buyer went in search of Kleinwort Benson stock. The current market malaise has hit the major London markets and there is no shortage of speculation that some could be facing hostile bids soon, say dealers.

fourish. AAH moved up 8 to 265p, while MacCarthy featured a gain of 11 at 234p. Ratners met most market forecasts with interim profits up 92 per cent to \$5.5m, following the jewellery group on course for somewhere around \$78m for the full year if Christmas sales live up to expectations.

News that Harris Queen-wash has put its London toyshop Hamleys up for sale nudged the shares up a half penny to 75p. There should be no shortage of foreign interest in the store, say dealers, although Mr Andrew Fowler, analyst with Charterhouse Tilney, believes it easy to overstate the attractions of the famous shop.

Another boost was the proposed split of Royal Dutch stock and share scrip from Shell which should make for greater marketability in both. The enthusiasm for the oil majors competed with a fresh bout of speculative activity for the independents and took places against a backdrop of declining crude oil prices.

Business was swollen as analysts recommended switches between the leaders. British Petroleum "old" was a beneficiary, surging 5 1/4 to 246p amid turnover of 8.2m shares; the partly-paid kept pace in smaller volume to end up at 147 1/2p.

International stocks were mixed. Glaxo ran into profit-taking after its recent good rise, falling 15 to 101 1/4p in turnover of 2.2m. Its figures are due on Monday, with market forecasts ranging from \$310m to \$340m.

Guinness reported results at the top end of expectations and the shares rose 7 1/2 to 485p. Unconfirmed rumours suggested that VMS Realty of the US had offered \$3bn (£1.8bn) for the InterContinental hotel chain, while another story said that Grand Met had taken a 20 per cent stake in US food and restaurant company TransWorld Services.

Racial again dominated the Electricals sector, rising 9 to 410p in heavy trading of 9.8m shares as dealers noted general relief that the Vodafone flotation will go ahead as planned. One commented that the pathfinder prospectus looked "very healthy".

After languishing for several weeks, shares in leisure group Pleasurama enjoyed a long rally yesterday, rising 25 to 224p in turnover of 2.5m. Dealers had no difficulty in explaining the gain, pointing out that it came after Mecca Leisure's meeting at which Mecca shareholders endorsed the company's recent bid for Pleasurama.

The announcement of interim pre-tax profits of \$53m compared with \$40m from Rolle-Royce failed to meet with market expectations which ranged around the \$70m mark. The shares were one of the most actively traded (3.1m) and closed 3 down at 129 1/2p.

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Associated British Ports pleased with the announcement of interim profits some 68 per cent higher at £21.2m. Responding to the figures, ABP shares moved ahead strongly to 511p before settling a shade below the best with a rise of 16 on the day at 509p.

British & Commonwealth beat its half-year forecast with profits of £2.9m, but the market seemed unimpressed and the shares dropped 8 to a 1988 low of 214p, compared with the high of 340p.

NEW HIGHS AND LOWS FOR 1988

NEW HIGHS (1988) - Anglo, BHP, British Airways, British Petroleum, etc. NEW LOWS (1988) - Anglo, BHP, British Airways, British Petroleum, etc.

APPOINTMENTS

At ROCKWARE GROUP Mr John Biffen, MF, has been appointed to the group board as a director. Mr John Lenihan, managing director of Crayon, is to take on an additional role within the MCKENZIE consumer products division following his appointment as managing director of GEECO.

Changes at British Aerospace

After languishing for several weeks, shares in leisure group Pleasurama enjoyed a long rally yesterday, rising 25 to 224p in turnover of 2.5m. Dealers had no difficulty in explaining the gain, pointing out that it came after Mecca Leisure's meeting at which Mecca shareholders endorsed the company's recent bid for Pleasurama.

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Incheape slipped back 4 to 208p, despite unfolding mid-term profits at the top end of the range. Mr Richard Allen, sector researcher at Kleinwort Grieveson, said the figures are good, but the upside is limited at current levels.

NATURAL RESOURCES AND RELATED INDUSTRIES

NET PROFIT - UP 77%
EARNINGS PER SHARE - UP 77% - DIVIDEND PER SHARE - UP 33%
Half Year '88 vs Half Year '87 comparison table.

RTZ
THE RTZ CORPORATION PLC, 6 ST JAMES'S SQUARE, LONDON SW14 4LD
The full interim statement is being posted to shareholders. For further copies please write to: The RTZ Corporation PLC, 1 Redcliff Street, Bristol BS1 6NT.

COMMODITIES AND AGRICULTURE

Last chance to save cocoa agreement

DELEGATES TO the International Cocoa Organisation (ICO) talks in London today have a last chance to solve the problems which are threatening to leave the agreement in disarray... It's going to be a tough day, a consumer delegate said yesterday.

Bond eyes nickel of New Caledonia and Indonesia

MR ALAN BOND, the Australian entrepreneur, is negotiating with the French and Indonesian governments to mine vast nickel resources in New Caledonia and Indonesia...

London bullion's dullness takes toll

THE LONDON bullion market's dull conditions most of this year are taking their toll, Italian International Bank, the merchant and international banking subsidiary of Monte dei Paschi di Siena, has given up bullion dealing after a year.

The bank gives up London Bullion Market Association membership Mr Robert Gray, association chairman, said he expected more departures in coming months. But this would have no effect on new members.

Kenya eyes shadow over its top cash crop

Julian Ozanne explains why Nairobi coffee circles are tense on the eve of ICO talks



The newly planted rows of tall green coffee trees which hang the hilly terrain around Ruiru, heart of the Kenyan coffee industry, are interrupted only by the blazing orange flowers of the Nandi Flame trees...

INSECTS HAVE damaged coffee in areas near Colombia's border with Ecuador, the National Federation of Coffee Growers said, Reuter reports from Bogota.

However, the coffee target is also a recognition of the economic necessities of the Kenyan economy with its burgeoning population growth of 4 per cent a year, the highest recorded in the world.

their inside, where it lays eggs. Colombia is the world's second-biggest coffee exporter, after Brazil. Coffee is its main export earner.

Further, if farmers can be persuaded to replant crop with the disease-resistant hybrid variety Ruiru 11, production could be cut by as much as 40 per cent.

Baltic Freight Index to undergo biggest revision

THE BALTIC Freight Index (BFI), compiled daily at the Baltic Exchange, London, is to undergo its biggest revision since being launched three years ago.

Insecticide for soyabean stunts US maize

LAST YEAR Mr Ralph Winkler, a farmer in western Illinois, felt progressive in trying a new herbicide for his soyabean crop.

LONDON MARKETS table with columns for COMMODITIES, Close, Previous, High/Low, and price details for various goods like tin, copper, and oil.

COCOA table with columns for Close, Previous, High/Low, and price details for cocoa beans.

LONDON METAL EXCHANGE table with columns for Close, Previous, High/Low, and price details for various metals like aluminium, zinc, and lead.

US MARKETS table with columns for Close, Previous, High/Low, and price details for commodities like soybeans and wheat.

CRUDE OIL table with columns for Close, Previous, High/Low, and price details for different grades of oil.

CHICAGO table with columns for Close, Previous, High/Low, and price details for soybeans and other regional commodities.

SPOT MARKETS table with columns for Commodity, Price, and change, listing items like tin, copper, and oil.

SUGAR table with columns for Close, Previous, High/Low, and price details for various sugar grades.

POTATOES table with columns for Close, Previous, High/Low, and price details for different potato varieties.

LONDON BULLION MARKET table with columns for Commodity, Price, and change, listing gold and silver.

GOLD 100 Troy oz. table with columns for Close, Previous, High/Low, and price details.

NEW YORK table with columns for Close, Previous, High/Low, and price details for commodities like soybeans.

GRAINS table with columns for Close, Previous, High/Low, and price details for wheat, corn, and soybeans.

FRUIT AND VEGETABLES table with columns for Commodity, Price, and change, listing various agricultural products.

LONDON METAL EXCHANGE TRADED OPTIONS table with columns for Commodity, Price, and change, listing metal options.

COPPER table with columns for Close, Previous, High/Low, and price details for copper grades.

INDEXES table with columns for Index Name, Value, and change, listing various market indices.

POUR BELLES table with columns for Close, Previous, High/Low, and price details for a specific commodity.

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Just in time

WORLD STOCK MARKETS

Table of world stock markets including Australia, Canada, France, Germany, Italy, Japan, Netherlands, Norway, Spain, Sweden, Switzerland, and South Africa. Columns include stock names, prices, and changes.

CANADA

Table of Canadian stock markets including Toronto and Montreal. Columns include stock names, prices, and changes.

Table of Japanese stock markets including the Nikkei and various sector indices. Columns include stock names, prices, and changes.

OVER-THE-COUNTER

Table of over-the-counter stock prices for various companies. Columns include stock names, prices, and changes.

INDICES

Table of various stock indices including Dow Jones, Nikkei, and others. Columns include index names, values, and changes.

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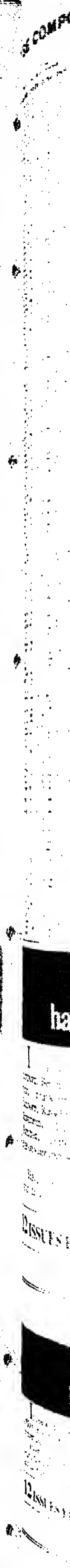
Advertisement for Geneva (022) 311604, And ask Peter Lancaster for details. Includes Financial Times logo and 'Europe's Business Newspaper'.

3pm prices September 15

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

High	Low	Stock	Div. Yld %	P/E	High	Low	Stock	Div. Yld %	P/E	High	Low	Stock	Div. Yld %	P/E	High	Low	Stock	Div. Yld %	P/E					
215	214	AAR	4.4	17.0	216	215	ABC	0.0	2.3	350	349	IBM	6.2	15.0	400	399	INTL	0.0	2.1	400	399	JCI	0.0	2.2
216	215	AAO	0.0	2.3	351	350	IBX	0.0	2.4	401	398	INTL	0.0	2.1	402	397	JCO	0.0	2.2	403	396	JDS	0.0	2.3
217	216	AAI	0.0	2.4	352	351	ICE	0.0	2.5	404	395	INX	0.0	2.2	405	394	JDE	0.0	2.3	406	393	JEM	0.0	2.4
218	217	AAJ	0.0	2.5	353	352	IDC	0.0	2.6	407	392	IOW	0.0	2.3	408	391	JEE	0.0	2.4	409	390	JEP	0.0	2.5
219	218	AAK	0.0	2.6	354	353	IDF	0.0	2.7	410	389	IPK	0.0	2.4	411	388	JEF	0.0	2.5	412	387	JEG	0.0	2.6
220	219	AAL	0.0	2.7	355	354	IDG	0.0	2.8	413	386	IPL	0.0	2.5	414	385	JEH	0.0	2.6	415	384	JEI	0.0	2.7
221	220	AAM	0.0	2.8	356	355	IDH	0.0	2.9	416	383	IPN	0.0	2.6	417	382	JEJ	0.0	2.7	418	381	JEK	0.0	2.8
222	221	AAN	0.0	2.9	357	356	IDJ	0.0	3.0	419	380	IPQ	0.0	2.7	420	379	JEL	0.0	2.8	421	378	JEM	0.0	2.9
223	222	AAO	0.0	3.0	358	357	IDK	0.0	3.1	422	377	IPR	0.0	2.8	423	376	JEN	0.0	2.9	424	375	JEO	0.0	3.0
224	223	AAP	0.0	3.1	359	358	IDL	0.0	3.2	425	374	IPS	0.0	2.9	426	373	JEP	0.0	3.0	427	372	JEQ	0.0	3.1
225	224	AAR	0.0	3.2	360	359	IDM	0.0	3.3	428	371	IPT	0.0	3.0	429	370	JER	0.0	3.1	430	369	JES	0.0	3.2
226	225	AAJ	0.0	3.3	361	360	IDN	0.0	3.4	431	368	IPV	0.0	3.1	432	367	JEU	0.0	3.2	433	366	JET	0.0	3.3
227	226	AAK	0.0	3.4	362	361	IDO	0.0	3.5	434	365	IPW	0.0	3.2	435	364	JEV	0.0	3.3	436	363	JEU	0.0	3.4
228	227	AAI	0.0	3.5	363	362	IDP	0.0	3.6	437	362	IPX	0.0	3.3	438	361	JEW	0.0	3.4	439	360	JEU	0.0	3.5
229	228	AAJ	0.0	3.6	364	363	IDQ	0.0	3.7	440	359	IPY	0.0	3.4	441	358	JEX	0.0	3.5	442	357	JEU	0.0	3.6
230	229	AAK	0.0	3.7	365	364	IDR	0.0	3.8	443	356	IPZ	0.0	3.5	444	355	JFY	0.0	3.6	445	354	JEU	0.0	3.7

Continued on Page 45



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FINANCIAL TIMES FRIDAY SEPTEMBER 16 1988 NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for High, Low, and Change.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for High, Low, and Change.

OVER-THE-COUNTER Nasdaq national market, 3pm prices September 15

Table of Over-the-Counter prices listing various stocks with columns for High, Low, and Change.

Advertisement for Financial Times: 'Have your F.T. hand delivered in Germany'.

Advertisement for Financial Times: 'Have your F.T. hand delivered in Norway'.

Advertisement for Financial Times: 'Have your F.T. hand delivered in Norway'.

AMERICA

Dow and bonds retreat to a narrow trading range

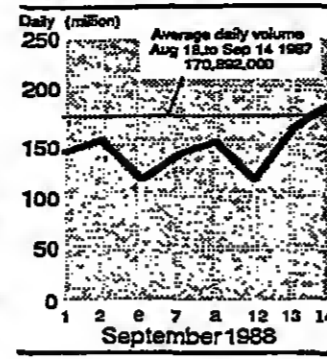
Wall Street

EQUITIES and bonds fell back into a narrow trading range yesterday after the mild boost received by Wednesday's news of a sharply reduced US trade deficit in July...

July's 0.5 per cent increase was revised down to a gain of 0.1 per cent. Bonds rose modestly in reaction to the figures, which were weaker than forecasts...

After that announcement, two other hospital management groups moved into the ranks of the most heavily traded stocks on the New York Stock Exchange...

NYSE Volume



stake and would hold talks to set a premium over the current open market price.

Canada

FALLS by gold, base metal and energy issues dragged Toronto down in moderate trading at mid-session.

The composite index fell 5.6 to 3,270.9 in volume of 13m shares. Most leading Canadian banks said they had increased prime lending rates by 1/4 per cent...

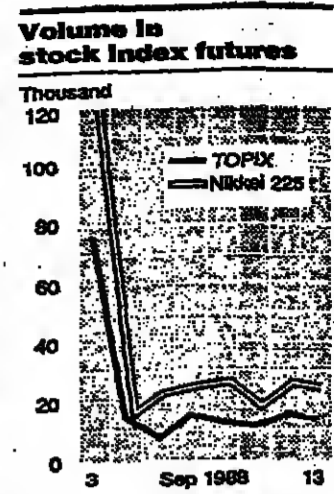
Stability holds back index futures

With Tokyo on holiday, Michiyo Nakamoto looks at why Japan's new contracts are treated warily

The launch two weeks ago of Japan's first stock index futures contracts adds an extra dimension to what is already perhaps the world's fastest growing financial market.

Japan boasts the largest stock market and the second largest bond market in the world and many analysts are confident that the stock index futures market will expand soon enough to match those levels.

For one thing, September marks the end of the fiscal year for many financial institutions. With their settlement of accounts approaching, institutional investors are making equity market moves which they would need to hedge.



able to increase their own trading volume without risking any losses. Most analysts say the real test for Japan's futures markets is likely to come after October...

EUROPE

Gains sustained in calmer session

TRADING was calmer in Europe yesterday, after Wednesday's excitement, but the US July trade figures and Wall Street's reaction supported prices...

incoming industrial orders improving, and the market on a prospective price earnings ratio of about 11.2 against 15.5 a year ago...

share swap between Elsevier and Pearson of the UK. The CBS all-share index edged up 0.1 to 97.2, but volume was said to be lower than Wednesday's healthy 71.32m.

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The Geneva and Basle stock exchanges have decided to extend their trading hours from November 7, following a similar decision earlier this week by the Zurich bourse, Switzerland's leading exchange...

PARIS took a breather after the hectic activity of the previous two sessions, although speculation in Midi kept volumes relatively healthy. Shares ended lower.

ultimate day of the monthly trading account. Fiat, regarded by some as undervalued, picked up Li00 to L9,240, rising to L9,285 after hours.

share swap between Elsevier and Pearson of the UK. The CBS all-share index edged up 0.1 to 97.2, but volume was said to be lower than Wednesday's healthy 71.32m.

well at DM3.74bn worth of domestic shares, only slightly below Wednesday's level, on mainly domestic institutional activity.

number of blue chips showed falls, prompting one analyst to describe it as "a bit disappointing" given the good news on the US July trade figures and the strong buying of German shares in the after market on Wednesday.

STOCKHOLM was little changed as investors held back amid political uncertainty before Sunday's general election. The Affarsvarlden index rose 0.5 to 88.1.

STOCKHOLM was little changed as investors held back amid political uncertainty before Sunday's general election. The Affarsvarlden index rose 0.5 to 88.1.

SOUTH AFRICA

GOLD stocks closed slightly up, but off their highs, in quiet trading in Johannesburg yesterday. The improved bullion price early in the day gave stocks an initial boost...

ASIA PACIFIC

THE SURPRISINGLY good July trade data from the US provided an early fillip for share prices in Australia and Singapore, but Hong Kong dithered amid uncertainty over the market's direction.

National Australia, up 22 cents at A\$7.02, Westpac, 14 cents higher at A\$6.12, and ANZ, climbing 14 cents to A\$5.34.

afternoon profit-taking reduced the day's gains. The Straits Times industrial index put on 2.5 to 1,070.02 and turnover climbed to 19m shares...

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns for National and Regional Markets, Wednesday September 14 1988, Tuesday September 13 1988, and Dollar Index. Rows include Australia, Austria, Belgium, Canada, Denmark, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, USA, and The World Index.

All these Notes have been sold. This announcement appears as a matter of record only.

CNT Caisse Nationale des Télécommunications. ECU 150,000,000. 7% per cent. Notes due 1993. Issue Price: 101 1/4 per cent. Unconditionally guaranteed by The Republic of France.

Table listing various banks and financial institutions: Crédit Lyonnais, Bankers Trust International Limited, Banque Paribas Capital Markets Limited, Deutsche Bank Capital Markets Limited, Mitsubishi Finance International Limited, Union Bank of Switzerland (Securities) Limited, etc.

Base value: Dec 31, 1986 = 100. Finland: Dec 31, 1987 = 115.037 (US \$ index), 90.791 (Pound Sterling) and 94.94 (Local). Copyright: The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987. Latest prices were available for this edition.